Regular Governing Board Agenda

CABRILLO UNIFIED SCHOOL DISTRICT

Thursday, May 14, 2020

Closed Session 5:30 PM | Via Zoom: https://cabrillok12.zoom.us/j/96376418800 (For public comments on Closed Session items only)

Public Session 7:00 PM | Via Zoom: https://cabrillok12.zoom.us/j/96263356886

In response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-29-20, which temporarily suspended provisions of the Brown Act relating to public meetings. As such, Cabrillo Unified School District will be conducting its Governing Board meeting at the regular time, in a different modality. The District will be leveraging a Webinar format (using Zoom) in order for the Governing Board members to participate remotely, and to allow for orderly public comment. There will not be a physical location for this meeting.

The Governing Board will meet for Closed Session to discuss labor negotiations, student discipline, personnel matters, litigation, anc other matters as provided under California state law as set forth on the agenda below. Following Closed Session, the Board reconvenes to Public Session. Adjournment of the Public Session will be no later than 10:00 PM for all regular and special meetings unless extended by a majority vote of the Board. Writings relating to a board meeting agenda items that are distributed to at least a majority of the Board members less than 72 hours before the noticed meeting, and that are public records not otherwise exempt from disclosure, will be available for inspection at the District administrative offices, 498 Kelly Avenue, Half Moon Bay, CA. Such writings may also be available on the District's website. (Government Code 54957.5b).

Individuals who require special accommodations (Spanish interpreter, accessible seating, documentation in an accessible format, etc.) should contact the Administrative Assistant to the Superintendent at acostar@cabrillo.k12.ca.us no later than 48 hours preceding the meeting.

IF YOU WISH TO ADDRESS THE GOVERNING BOARD

Public comments may be submitted through the following link: **bit.ly/cusdGBpc** beginning on Friday, May 8, 2020. The comments will be read by the Board President or a designee during the meeting. Public comments are limited to three (3) minutes per person per topic.

Closed Session Items: may be addressed under Public Comment on Closed Session Topics.

Nonagenda and Consent Items: may be addressed under Public Comments.

Agenda Items: may be addressed after the conclusion of the staff presentation on the item.

Instructions to join the Board Meeting are as follows:

Please click the link below to join the webinar: https://cabrillok12.zoom.us/j/96263356886

Or iPhone one-tap: US: +16699006833,,96263356886# or +12532158782,,96263356886#

Or Telephone: Dial(for higher quality, dial a number based on your current location): US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 312 626 6799 or +1 929 205 6099 or +1 301 715 8592

International numbers available: https://cabrillok12.zoom.us/u/ab9C6npsd

Webinar ID: 962 6335 6886

Open Board meeting may be recorded and broadcast.

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1. CALL TO ORDER

2. ROLL CALL

___ Ms. Kimberly Hines, President
___ Ms. Lizet Cortes, Vice President
___ Ms. Mary Beth Alexander, Clerk to the Governing Board
___ Ms. Freya McCamant, Member
___ Ms. Sophia Layne, Member

3. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

4. RECESS TO CLOSED SESSION

a. Matters Related to Students (Education Code §35146, §48912, §49070)

The Board may hear expulsion cases and consider the requests from students for re-admittance following expulsion. Also, the Board may hear matters related to student suspensions/other disciplinary actions, student grade change appeals, and confidential student matters according to Education Code. The Education Code requires closed session in these cases to prevent disclosure of confidential student record information.

b. Public Employee Discipline/Dismissal/Release (Government Code §54954.5, §54957)

c. Conference with Legal Counsel—Anticipated Litigation (Government code §54956.9 (d)(2) or (3))

d. Conference Regarding Labor Negotiators (Government Code §54957.6)

i. Cabrillo Unified Teachers' Association

ii. California School Employees' Association, Chapter 485

e. Public Employee Performance Evaluation (Government Code §54957)

5. RECONVENE TO PUBLIC SESSION

Report action from Closed Session: if applicable.

6. PLEDGE OF ALLEGIANCE

7. APPROVAL OF AGENDA

8. SPECIAL RECOGNITIONS

a. None

9. COMMUNICATIONS

a. Board Members Report

b. Student Board Member Report

c. Superintendent Report

d. Public Comments

Public comments may be submitted through the following link: bit.ly/cusdGBpc beginning on Friday, May 8, 2020. Public comments are limited to three (3) minutes per person per topic. Comments will be read by the Board President or a designee during the meeting.

If you are addressing the Board on a nonagenda item, please be aware that the provisions of the Brown Act prohibit the Board from acting or discussing such matters at this meeting.

e. Employee Organizations Report

i. CUTA Representatives

ii. CSEA Representatives

10. INFORMATIONAL REPORTS

a. Extended Day Kindergarten Update Presentation

10.a Board Memo Extended Day Kindergarten 2019-2020.pdf (p. 7)

10.a.1 Extended Kindergarten Board Update Slide Presentation.pdf (p. 9)

b. Financial Report Presentation

10.b Board Memo Financial Update.pdf (p. 18)

10.b.1 Financial Update Presentation.pdf (p. 19)

10.b.2 SF Chronicle Article What California schools' devastating cuts could mean for classrooms.pdf (p. 30)

10.b.3 SSC Article Time to Fine-Tune MYPs—Be Prepared.pdf (p. 34)

10.b.4 FCMAT Fiscal Alert Effective Cash Management During Uncertain Times.pdf (p. 37)

10.b.5 LAO Analysis of District Reserves.pdf (p. 43)

10.b.6 Bay Area News Group State Deficit 05072020.pdf (p. 71)

c. Update on COVID-19's Impact on CUSD Operations

10.c Board Memo Update on COVID-19's Impact.pdf (p. 74)

10.c.1 COVID-19 Board Update Presentation 200514.pdf (p. 75)

11. DISCUSSION ITEMS / PUBLIC HEARING

a. Administrative Regulation 5121 Grading/Evaluation of Student Achievement

11.a Board Memo Administrative Regulation 5121 Update.pdf (p. 85)

11.a.1 AR 5121 Grades Evaluation Of Student Achievement 200514.pdf (p. 86)

12. CONSENT ITEMS

Consent items are those items judged by staff to be routine in nature, consistent with policy, and reflective of established practice. As a time-saving measure, such items are typically grouped together on what is called the "Consent Agenda" for Board consideration of action. The Consent Agenda requires a motion and a second and must be approved by a roll call vote of the Governing Board. Any Board member may direct that one or more of these items be removed from the Consent Agenda for the purpose of discussion and consideration of action.

a. Approval of Algebra 1 Waiver Submission to California Department of Education

12.a Board Memo Algebra Waiver Submission.pdf (p. 91)

b. Approval of Certificated Personnel Report

12.b Board Memo Certificated Personnel Report.pdf (p. 92)

c. Approval of Classified Personnel Report

12.c Board Memo Classified Personnel Report.pdf (p. 94)

d. Acceptance of Donations to Cabrillo Unified School District

12.d Board Memo Accept Donations.pdf (p. 95)

12.d.1 Summary Site Donations.pdf (p. 96)

e. Approval and Adoption of Minutes of April 16, 2020 Regular Governing Board Meeting

12.e Board Memo Minutes.pdf (p. 97)

12.e.1 2020-04-16 Minutes.pdf (p. 98)

f. Approval of COVID-19 Special Policy Update and Adopt the Proposed Revisions as Recommended by the California School Boards Association

12.f Board Memo COVID-19 Special Policy Update.pdf (p. 104)

12.f.1 BP 4113.5 Working Remotely 200514 (NEW).pdf (p. 105)

12.f.2 BP 6157 Distance Learning 200514 (NEW).pdf (p. 108)

12.f.3 BP 3515.4 Recovery For Property Loss Or Damage 200514.pdf (p. 111)

13. ACTION ITEMS

a. Adopt Resolution No. 13-20 of Emergency Relating to Coronavirus (COVID-19)

13.a Board Memo Resolution of Emergency Relating to COVID-19.pdf (p. 113)

13.a.1 Resolution No. 13-20 of Emergency Relating to COVID-19.pdf (p. 114)

b. Approval of New Health Technician Positions

13.b Board Memo New Health Technician Positions.pdf (p. 116)

13.b.1 Health Technician Job Description.pdf (p. 117)

13.b.2 Health Technician I Job Description.pdf (p. 120)

13.b.3 Health Technician II Job Description.pdf (p. 123)

c. Adoption of Resolution No. 14-20 Reducing and/or Discontinuing of Classified Positions

13.c Board Memo Resolution Reducing Classified Positions - Revised.pdf (p. 127)

13.c.1 Resolution No 14-20 Reducing Classified Positions - Revised.pdf (p. 128)

d. Adoption of Fiscal Year-End Resolution No. 15-20 Approving Budgetary Increases and Transfers at Year-End

13.d Board Memo Approve Budgetary Increases and Transfers at Year End.pdf (p. 130)

13.d.1 Resolution No. 15-20 Budgetary Increases and Transfers at Year End FY 2019-20.pdf (p. 131)

e. Adoption of Fiscal Year-End Resolution No. 16-20 Appropriating Ending Balance to a Reserve

13.e Board Memo Approve Fiscal Year-End Resolution Appropriating Ending Balance.pdf (p. 133)

13.e.1 Resolution No. 16-20 Appropriate Ending Balance FY 2019-20.pdf (p. 134)

f. Approval of Purchase of Classroom Furniture for the Hatch Kindergarten Project

13.f Board Memo Furniture Purchase for Hatch Kindergarten Project.pdf (p. 135)

13.f.1 Campbell Keller Hatch Kindergarten Project Quote.pdf (p. 136)

g. Adoption of Resolution No.17-20 TRAN Issuance and Resolution Maximum Amount Borrowing

13.g Board Memo TRAN Issuance & Maximum Borrowing Funds.pdf (p. 147)

13.g.1 Resolution Adoption Package Instructions FY 20-21.pdf (p. 149)

13.g.2 Resolution Authorizing the Borrowing of Funds FY 2020-21.pdf (p. 151)

13.g.4 File Copy Documents District Certificate FY 2020-21.pdf (p. 194)

13.g.3 Resolution Certificate FY 2020-21.pdf (p. 401)

14. FUTURE BOARD AGENDA ITEMS

a. Overview of Visual and Performing Arts Program

b. District Budget Review Study Session

c. Approval of Single Plan for Students Achievement

d. Approval of Cabrillo Unified School District Governing Board Policy Updates and Adopt the Proposed Revisions as Recommended by the California School Boards Association

15. FUTURE EVENTS

a. May 27 - Regular Governing Board Meeting, Teleconference Via Zoom, 7:00 PM

16. RETURN TO CLOSED SESSION (IF NECESSARY)

17. ADJOURNMENT OF THE MEETING

CABRILLO UNIFIED SCHOOL DISTRICT

498 Kelly Avenue, Half Moon Bay, California 94019 • 650 712-7100 • Fax 650 726-0279 • www.cabrillo.k12.ca.us

SUPERINTENDENT
Sean McPhetridge, Ed.D.

GOVERNING BOARD
Mary Beth Alexander
Lizet Cortes
Kimberly Hines
Sophia Layne
Freya McCamant

MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: Leticia Bhatia, Ed.D., Assistant Superintendent Curriculum and Instruction
CATEGORY: Information
RECOMMENDATION: Extended Day Kindergarten Presentation

BACKGROUND INFORMATION

From early 2012, Cabrillo Unified School District joined one of the largest initiatives to improve reading by 3rd grade by joining the Big Lift Initiative. The Big Lift is a bold social venture with an intent on transforming early learning. The venture combines high-quality and connected learning experiences for San Mateo County preschool to third-grade students. This early learning transformation is focused on literacy, reducing chronic absenteeism and summer learning loss, and engaging families and the broader community to support both home and school learning. Although we have seen some growth in literacy in the district, there continues to be achievement gaps for many of our students in CUSD; in particular, state and local data show achievement gaps between English Learners and Socioeconomically Disadvantaged students with other Coastside students.

During the past few months, district leaders have continued to research, discuss, and plan additional programs, actions, and services to support improved literacy outcomes. One service that has proved to support literacy is extended day kindergarten. Research has shown extended or full day kindergarten programs are effective, particularly in districts such as ours where there are achievement gaps that can be addressed early on through increased instructional time to enhance the background knowledge and literacy skills of kindergarteners. According to the National Education Association (http://www.nea.org/home/11541.htm), “full-day kindergarten programs close achievement gaps between young children from minority and low-income families and their peers. By providing a solid foundation of learning to children from all backgrounds, full-day kindergarten programs ensure all students' academic, social, and emotional success.” Moreover, we have heard that families have chosen private school admissions because of their dissatisfaction with a partial day kindergarten program.

To address documented achievement gaps in Coastside learners, CUSD intends on implementing extended or full day kindergarten programs going forward to eliminate the instructional opportunity gap experienced by many students who are not receiving the same amount of instructional time as students in higher elementary grades. While some families may be able to afford after-school or child care programs after a shorter kindergarten day, many families cannot afford that opportunity, leading in inequitable sets of learning conditions for those families. CUSD intends on providing additional curricula, resources, and training for kindergarten teachers to facilitate the transition to extended or full day kindergarten programs on the Coastside, and our hope is that by so doing CUSD will be able to provide more families and students who need it with increased early literacy efforts that can provide an equity focus in the district and that create a more level playing field in early childhood education.

REPORT/PROPOSAL

The presentation will provide the Cabrillo Unified School District Governing Board with an update on our intent to implement Extended Day Kindergarten at Cabrillo Unified School District for the 2020-2021 school year.

FINANCIAL IMPACT

The district can anticipate some initial start-up expenses to include additional one-time curricular purchases, costs of substitute teachers for planning and professional development time, some start-up purchases of materials for enrichment activities and for activity/play, and other modest costs of program implementation. Meanwhile, there would be no anticipated additional salary costs as teachers would require no additional pay since they would be teaching the same number of minutes as first grade teachers do currently instead of teaching a partial day: it is our current belief that CUSD kindergarten teachers really would be required only to work according to the same contractual requirements expected of other primary teachers in CUSD. Additionally, repurposing the district allocation of funds that has been provided previously for kindergarten after-school enrichment programs with uncertificated teachers would help offset these implementation costs going forward and would also add the benefit of increased instructional time for students with the same teachers they are accustomed to during the school day. Thus, CUSD actually envisions this to be a cost-neutral solution because we could stop paying in the future for outside uncertificated enrichment providers, and moreover CUSD believes there would be an instructional benefit for students who could be taught during those hours in an extended day program with the same certificated teachers with whom they have grown familiar during the school day.

CABRILLO UNIFIED SCHOOL DISTRICT

Every Student, Every Day!

Extended Day Kindergarten Board Update

Leticia Bhatia, Assistant Superintendent

Curriculum and Instruction

May 14, 2020

Agenda

1. Extended Day Kindergarten Benefits
2. Review of AR 6112
3. Educator Input Overview
4. Recommendation and Next Steps

Extended Kindergarten Benefits

- About ⅔ of U.S. kindergarten children attend full-day classes.
- Full-day kindergarten is more common in economically disadvantaged schools.
- Lower-performing schools are more likely to offer full-day classes.
- The availability of full-day kindergarten varies widely across the state but correlates with increased numbers of English language learners, families of socio-economic status typically benefiting from increased early literacy instruction, and Black and/or Latino families in California districts.
- Many families believe in academic benefits of extended day kindergarten.
- Based on data reported by CDE (2017-2018), there was an exponential growth in extended day K programs in California (i.e., approximately 70% full-day).

Research from California Department of Education, 2020

Review of AR 6112

In any district school operating an early primary program pursuant to Education Code 8970-8974, the kindergarten school day may exceed four hours, excluding recess, if both of the following conditions are met: (Education Code 8973)

1. The Governing Board has declared that the extended-day kindergarten program does not exceed the length of the primary school day.

2. The extended-day kindergarten program includes ample opportunity for both active and quiet activities within an integrated, experiential, and developmentally appropriate educational program.

Educator Input

Two meetings have been held with our CUSD Transitional Kindergarten and Kindergarten educators along with the Elementary School Principals and the Assistant Superintendent of Curriculum and Instruction.

March 24, 2020

April 15, 2020

Educator Input Overview

Upon consultation from our TK/K educators, we have given very careful consideration to all of their recommendations to support the transition to Extended Day Kindergarten. We reviewed each recommendation and determined the fiscal feasibility, ease of implementation, and research validating the practice. These recommendations will be discussed tonight and in future planning sessions with administrators and other practitioners who will be asked to implement the recommendations for implementation.

Further Considerations for Implementation

CUTA representatives were presented with our intention to implement Extended Day Kindergarten and invited to provide questions regarding implementation. We will continue to consult as needed.

For the 2020-2021 school year, CUSD is proposing the following implementation is implemented in order to help support our Extended Day Transitional Kindergarten and Kindergarten teachers:

1. Transitional Kindergarten will remain a 4-hour program per existing CUSD Board Policy
2. Professional development funding would be set aside for TK/K teachers for 2020-2021
3. Substitute teachers, when needed, would be arranged for release days for TK/K Assessments
4. Revision of TK/K Report Cards and TK/K Assessments (Summer TK/K Committee work)

Recommendations and Next Steps

- Revise AR 6112 to declare Extended Day Kindergarten in order to meet CDE requirement documenting how it does not exceed hours of First Grade day
- Estimate costs for recommendations to support Extended Day Kindergarten
- Communication to incoming Kindergarten families regarding new schedule
- Develop a TK/K Summer Committee to help develop TK/K Report Cards and TK/K Assessments to address needs identified by TK/K teachers

Questions?

Thank you!

CABRILLO UNIFIED SCHOOL DISTRICT

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MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: J Jesús Contreras, Chief Business Officer
CATEGORY: Information
RECOMMENDATION: Receive Cabrillo Unified School District Financial Update

BACKGROUND INFORMATION

COVID-19 has transformed the fiscal landscape education across the nation. Across California, the assumptions built in the Governor's January Budget are now not fully valid. The Multi-Year Financial Projections (MYP) presented to local Boards in March have changed, and local governing Boards are now to make decisions and adopt a 2020-21 Budget in the midst of uncertainty, ambiguity, and fewer resources.

The purpose of this presentation is to provide the CUSD Governing Board with information related to the changing realities of the education financial landscape.

CABRILLO UNIFIED SCHOOL DISTRICT

Every Student, Every Day!

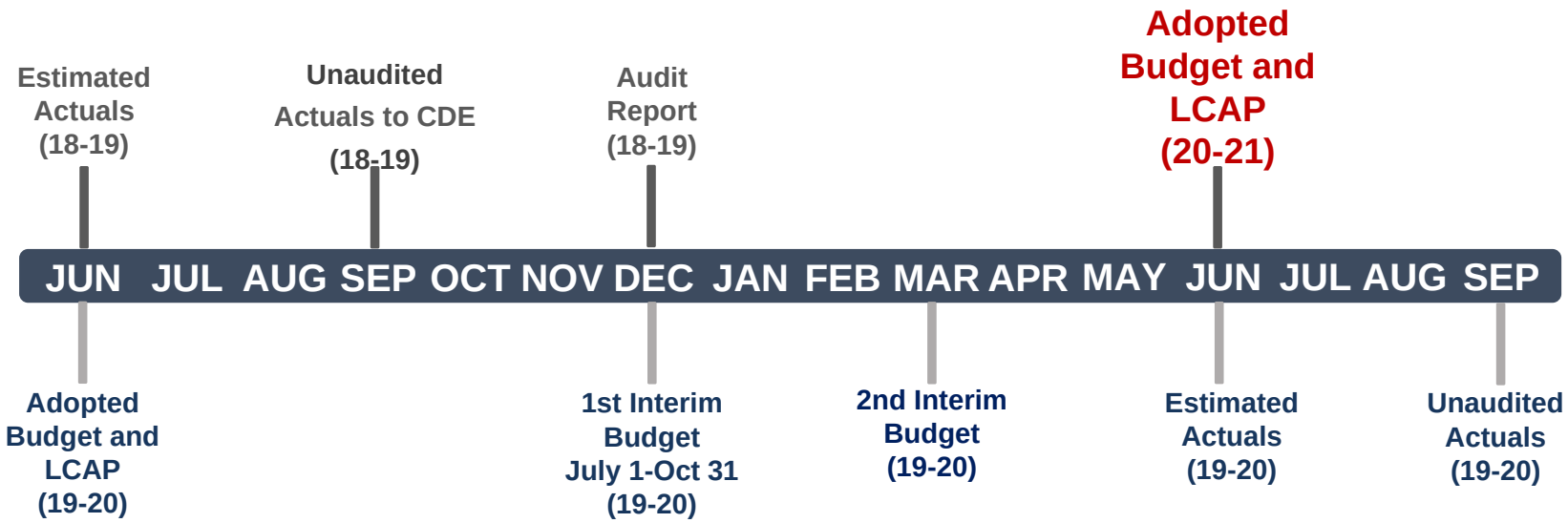
Cabrillo Unified School District Financial Report

J Jesus Contreras

Chief Business Officer

May 14, 2020

Financial Reports



At Second Interim Financial Report

The *Second Interim* report covered the period ending January 31, 2020.

- In March, the CUSD Governing Board certified the District's ability to meet its financial obligations for the current year and three (3) succeeding fiscal years:
  - **Positive Certification – CUSD would meet its financial obligations**

  However, since the March presentation of the Second Interim Report, COVID-19 has caused public schools to transition to remote learning and has forced all school districts to reconsider ongoing budget assumptions: all districts must prepare for increased expenses and reduced revenues ahead.
- **COVID-19:**
  - Closure of Schools: Governor's Order N-33-20 - Shelter in Place
  - Essential Functions: Remote Learning and Feeding Children
  - Senate Bill 117
  - CARES Act: ESSER Fund

After Second Interim: Issues to Watch

- CUSD has had a historic deficit spending trend over multiple years
- This led to dwindling reserves required for economic uncertainty
- CDE and FCMAT recommend higher reserve levels than we have
- Funding uncertainties: the flip from LCFF to “Community Funded”
- CUSD’s declining enrollment can lead to reduced revenues ahead
- Increasing district pension contributions over time are mandated
- Increasing Special Education costs are also a given in all districts
- Continued ambiguity of State and Federal funding exists for us now
- We have also identified accrued vacation liability we must pay off

Current Fiscal Realities

Current Year:

- Revenue – will flow as projected; federal increase may occur
- Expenditures – unplanned expenditures are up, and revenues are down
- Cash – we can expect a June deferral; CUSD Basic Aid status will prevent CUSD from receiving LCFF funds, and this creates a cash flow problem

2020-21 Budget Development (FCMAT):

- January Budget Proposal is almost certainly invalid now after COVID-19
- Potential scenarios of -2% to -10% range for funded COLA are predicted
- Cash – June deferral plus CUSD Basic Aid late receipt of property taxes (Dec./Jan. and April) will cause a cash flow problem for the district now

Current Fiscal Realities (Cont.)

Other 2020-21 Budget Development Considerations:

- Steep drop in state and local tax receipts seen now and expected ahead
- Recession of magnitude seen after 2008's recession (or more) expected
- Potential loss in revenue of $1,400-$2,000 per ADA predicted by experts
- Predicted effects by experts: Larger class sizes? Layoffs? Furloughs?
- Creative ways to curb spending must continue to be explored ahead
- As we saw in the last recession, adjusting to budget shortfalls requires the support of employees and local partners to create ways to educate children, keep jobs, and creatively increase savings and minimize reductions ahead
- We must positively and creatively face uncertainty and fiscal distress
- We need to work toward ongoing efforts to regain fiscal health in CUSD
- We are "Better Together" and must collaborate to address funding issues

Reminder: LCFF ←→ Basic Aid Fluctuation

- A Basic Aid district is one whose local property taxes meet or exceed its LCFF funding level; this is dependent on property taxes, and should there be defaults on homes, this could change ahead
- Based on current forecasts (however uncertain), CUSD is shifting between Community Funded and LCFF funded over the future, causing us ambiguity of what to expect ahead
- Implications:
  - Funding will be unstable going forward
  - Reductions will be needed and monitored



Reminder: LCFF ←→ Basic Aid Fluctuation

- Property tax revenue is very uncertain and will be subject to drastic changes in the months and years ahead
- CUSD Basic Aid revenue in 2019-20 will be helpful, but it should be considered as one-time funding and not as ongoing funding ahead
- The "rules" of Basic Aid funding require Basic Aid districts do not receive *"Supplemental Tax"* the following year and CUSD expects to be back in LCFF funding status in 2020-21
- In 2021-22, CUSD thus must still plan for
- ***"The roller-coaster effect"***



Predicted Budget Trends Ahead

- The effect of COVID-19 is predicted to be of similar consequence to public school funding as the effects of the recession that we lived through over a decade ago and have just recovered from
- Some articles on this have been included in tonight's Board Packet
- These expert opinions now predict severe budget constraints on public school funding that we can now expect in the year(s) ahead
- Based on historical data on school funding after the recession, and forecasting funding changes we can expect because of COVID-19, these experts predict we should expect significant reductions in COLA and LCFF per-pupil funding, with total losses in funding to districts predicted to be as much as 10-15% in the year(s) ahead

Next Step

- ✓ Budget Development – March-May 2020 (FCMAT Guidance)
- ✓ Governor's May Revised Budget for FY 2020/21 – May 19, 2020
- ✓ Cabrillo USD Budget Public Hearing – May 27, 2020
- ✓ Cabrillo USD Budget Approval – June 18, 2020
- ✓ Recommend Board Policy to establish minimum reserve levels based on best practice recommendations of CDE and other experts
- ✓ Bring Board of Education a plan to address accrued vacation liability so that CUSD can pay off that liability gradually in the years ahead

Questions? / Thank you!

EDUCATION

What California schools' devastating cuts could mean for classrooms: 15% less per student

Jill Tucker

April 29, 2020 | Updated: April 29, 2020 9:01 a.m.



Brothers Isaac (left) and Joshua Conde walk into Thurgood Marshall Academic High School in San Francisco just before district schools closed in the pandemic.

Photo: Lea Suzuki / The Chronicle

Schools across California face a devastating fiscal future, with a loss in revenue of $1,400 per student — or more, state education experts said Tuesday.

That figure is perhaps optimistic. With the state heading into what could be a severe recession, the loss may be closer to $2,000 per student — a 15% reduction from the current funding level of

$13,000.

That will likely mean larger class sizes, layoffs, furloughs, pay cuts and other ways to curb spending, officials said.

“All indications are it will be very difficult for California education,” said Carrie Hahnel, an independent researcher on education policy, during a webinar hosted by Policy Analysis for California Education, a nonpartisan research center. “Schools in California should be bracing for a big hit.”

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How big is still unknown. With the income tax filing deadline extended until July 15, California officials won’t know exactly how much revenue they’ll get until later this summer.

Gov. Gavin Newsom is expected to release a revised budget proposal in May with his guess. In January, he anticipated increasing school funding to $84 billion, with $3.4 billion in new revenue.

“Everything we knew in January is off the table,” said Michael Fine, chief executive officer of California’s Fiscal Crisis and Management Assistance Team, which works with the state’s school districts on financial stability. “The bottom line right now is we don’t know how far state tax receipts are falling.”

As an academic exercise earlier this year, state budget officials provided an analysis of what a moderate recession would mean for the state, estimating a $25 billion revenue hit over each of the next two years, out of a $222 billion budget.

Just months later, with the state essentially shut down, the expected recessionary scenario is now worse than “moderate,” said H.D. Palmer, spokesman for the Department of Finance.

“There are worries that this could be the worst recession since the Great Depression,” said Jessie Levin, an education researcher at the American Institutes for Research, a nonpartisan research organization.

The focus right now, said policy experts, should be on the federal government addressing the financial impact of the coronavirus crisis, specifically in the form of funding for schools in the upcoming economic stimulus package.

“There has rarely been a time when schools needed so much support from the federal government,” said Oakland schools Superintendent Kyla Johnson-Trammell. “This is about ensuring that all school districts can avoid making draconian cuts to their budgets, which will hurt our children for years to come.

“I implore our federal leaders to send schools this much-needed money, to ensure that our students can fully access a healthy and robust education system once we move beyond this pandemic.”

Philanthropic funding and state rainy-day reserves aren’t sufficient to cover the need, including the academic recovery required after five months out of classrooms, officials said.

School During Coronavirus



POLITICS

BY ALEXEI KOSEFF

CA may start school year sooner if coronavirus under control



LOCAL

BY RON KROICHICK

UC, Cal State students file lawsuits over spring-term campus fees

LOCAL

BY MATT

Cal Mar

The role of schools in getting through the pandemic is critical and they should be a priority in federal stimulus funds, said Myong Leigh, San Francisco Unified deputy superintendent of policy and operations.

“This comes at a time when many of our students and families need even more from schools, including meals, technology access, distance learning and social-emotional support,” he said.

Even before the pandemic, the city’s school district already faced a budget shortfall, with special education and other costs outpacing state funding increases.

“Now,” he said,“with steep drops in local and state taxes, the threat to our resources is even more grave.”

Yet even as the education funding plummets, districts are facing increased costs, said Richard Barrera, vice president of the San Diego Unified school board.

Shifting to distance learning is costing his district an extra $200 per child, he said. Providing summer school would cost an additional $500 for each of the 100,000 students in the district — or $50 million total.

Yet a $2,000 budget cut per student would take $200 million from the district.

Newsom floated the idea Tuesday of schools opening up early for the upcoming academic year, possibly in late July or early August — something that would also increase costs and require the approval of labor unions.

Such a decision would be up to local school boards, which face a mountain of uncertainty about the future, officials said.

“There’s no simple solution here,” Barrera said. “Our focus right now is how we are going to deal with devastation.”

While some districts might have more money squirreled away in reserves than others, budget cuts are expected to be virtually universal, with disadvantaged communities hit the hardest, unable to backfill funding with parent contributions or other resources, he added.

“These types of cuts will devastate school districts up and down the state,” Barrera said, “and the impact will be most felt on the most vulnerable students.”

Jill Tucker is a San Francisco Chronicle staff writer. Email: jtucker@sfchronicle.comTwitter: @jilltucker

Click Here for COVID-19 Related Resources

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Time to Fine-Tune MYPs—Be Prepared

BY SHEILA G. VICKERS
BY JOHN GRAY

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posted April 22, 2020

Now is the time to fine-tune our multiyear financial projections (MYPs). During the Great Recession, as an industry, local educational agencies (LEAs) became highly skilled at multiyear financial planning. The bottom dropped out of the global, national, and state economies so fast that we had to get really good at MYPs and cash projections very quickly, or not survive. In fact, a postmortem on the Great Recession reveals that local school agencies survived financially far better than other industries. Of course, public education was stripped to the bare bones in order to remain fiscally viable, and the damage caused to students at the time will have an impact for generations to come.

MYPs form the basis for evaluating an LEA's financial condition now and into the near future. They provide the opportunity to identify upcoming trouble spots so that the LEA can take action to prevent them. We have been quoted many times, stating: "Multiyear projections are the mathematical result of today's decisions based on a given set of assumptions—they are not forecasts or predictions, for which there is a higher implied reliability factor. Multiyear financial projections should change as the various factors and assumptions change in order to be a sound business practice."

LEAs just completed an MYP a month ago as part of their Second Interim report. So why

would it make sense to immediately go back and do another update? Because the world as we knew it then has significantly changed in just over a month, and LEAs need to be ready to respond to what we expect will be significantly negative financial news.

As we reported earlier, the state's upcoming May Revision proposal will likely be a workload budget for 2020–21 (see "DOF Planning for Workload Budget in 2020–21" in the March 2020 *Fiscal Report*.) A workload budget is loosely defined to mean the cost-of-living adjustment (COLA) only for major education programs and funding for any growth in workload. Even if the May Revision update proposes a workload budget for 2020–21, the financial realities may produce something significantly different when the 2020–21 State Budget is finalized.

So How Bad Can It Get?

While the Department of Finance has yet to provide its estimate of the COVID-19 shutdown impact on state revenues, there are estimates that the impact could be greater than the revenue loss during the Great Recession. So how bad can it get? Here's what the first two years of the Great Recession looked like . . .

From 2007–08 moving into 2008–09, the COLA for the average unified school district would have provided a $329 per average daily attendance (ADA) increase, which would have been a 5.66% increase. Instead, the COLA was zeroed out, plus a cut of $162 per ADA from the prior year's funding was applied to the average unified school district. The combined impact for 2008–09 was a $491 per ADA (approximately 8%) reduction in purchasing power.

In 2009–10 it got worse. The COLA for 2009–10 of 4.25% was also zeroed out, and an additional cut in prior year funding of $253 per ADA was applied. This brought the funding for the average unified school district in 2009–10 down $1,177—more than 18%—below what 2009–10 would have been if the state had honored the statutory COLA to maintain LEA purchasing power at 2007–08 levels.

The length of the current shut down of the California economy is still unknown and the ultimate impact it will have on public school funding is still evolving. At this point, we think it is safe to say that the cost of living estimates for 2020–21 and beyond included in the Governor's January Budget are no longer valid. Assuming zero COLAs in the 2020–21 fiscal year and beyond, which may be optimistic, would place hundreds of LEAs

in financial jeopardy immediately.

Get Prepared

Whether using the Fiscal Crisis and Management Assistance Team's Projection-Pro, the Standardized Account Code Structure software, or a spreadsheet to prepare your MYPs, LEAs need to be ready to act quickly when the new revenue projections are announced by the state.

It is time to fine-tune the components of your LEA's MYP that are not directly reliant on state funding. This would include an estimate of the current-year ending balance and, for next year, the salary and benefit expenditures, expenditures on services and supplies, and contributions to restricted programs and other funds. These estimates should include any reductions in expenditures that can be garnered at this time.

As soon as any new guidance is provided on state revenues, each LEA should have its MYP in shape to drop in the new revenue assumptions and immediately get timely information on which to act. If your agency's MYP indicates systemic deficit spending across the years and/or insufficient reserves in one or more future years, the earlier action is taken to prevent those issues, the better—in other words, bad news does not get better with age—in this case, it gets worse.

FCMAT
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Fiscal Alert
April 2020

Effective Cash Management During Uncertain Times

Background

You have heard the phrase, "cash is king." Private industry has long understood the importance of this concept. Governmental entities and especially California schools began to fully appreciate the importance of effective cash forecasting and management strategies during the Great Recession when state cash receipts fell dramatically, resulting in the deferral of cash payments to local educational agencies (LEAs). During the economic recovery of the past eight years, the focus on cash has understandably lost a bit of its luster. However, during periods of economic distress, cash is a "third rail" issue, and LEAs must enhance their planning and monitoring around cash issues weekly.

This Fiscal Alert addresses the impact of the ongoing COVID-19 pandemic on LEAs cash resources for the current and subsequent fiscal year. This alert is for all LEAs, including county superintendents serving in their financial oversight role. During these rapidly changing, unprecedented times, it is critical for LEAs to begin analyzing and planning for various scenarios that will adversely impact cash flow and avoid cash shortfalls.

During the Great Recession a significant decline in state tax revenues prompted numerous apportionment deferrals that caused LEA cash fluctuations and resulted in extensive local borrowing. Similar deferrals will be one of the first tools the state uses to stabilize its own cash flow and to control in what year Proposition 98 appropriations are attributed. Cash deferrals are more favorable to LEAs than actual reductions in state funding but require LEAs to maintain accurate cash flow projections and to develop multiple cash flow scenarios to deal with the impact of the deferrals when they occur.

The May Revision may address short-term state plans and determine whether cash deferrals are part of those plans, especially for June 2020. However, the May Revision, and likely the June adopted budget, will not provide definitive answers about budget and associated apportionment plans, necessitating the need for LEAs to wait until a revised state budget is adopted in August/September to receive a more complete funding plan for the 2020-21 fiscal year. Use the time now, before the May Revision, to analyze and plan for various current year and budget year cash scenarios for your LEA. Cash deferrals could come as soon as June 2020, with a deferral of the June principal apportionment to early July. Ensuring the availability of adequate cash reserves is a vital function for all LEAs.

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Budget vs. Cash Flow

Budgets and cash flow projections are equally important but vary in their nature, data and analysis. The term "budget" means that funds are devoted to a purpose and/or entity, while "cash" means that funds are paid and readily available for use. Cash flow projections are built from budget data with apportionment schedules and payment terms on compensation and purchases taken into consideration. LEA budgets are a set of annual data with a focus on June 30. Cash flow is presented in shorter periods of time, typically monthly, but weekly and daily in some cases depending on circumstances. Budgets and cash flow are equalized with year-end accruals. Significant variances in cash flow actuals to projections generally serve as the first indicator of fiscal distress. Deficit cash positions determine the timing and amounts of the need for alternative liquidity (see below). The general fund, which is the focus of most LEA budgets, is only one of the district's funds. Cash is transferable and may be commingled; therefore, LEAs need to project and analyze all funds.

Relevant Issues

Cash Flow Analysis and Planning

Following best practices under normal circumstances LEAs should update cash flow projections monthly and not only at periodic reporting periods. At a minimum, cash projections should be prepared extending through the current and into the subsequent fiscal year. In periods of economic distress and funding uncertainties, the frequency and depth of cash flow projections and analysis should be increased.

Using recently completed second interim cash flow projections as the starting point, update the projections with February and March actuals, and build in necessary changes in the forecast for April, May and June, considering the new realities affecting the LEA. Do not limit the analysis and monitoring to the general fund, expand to cover all funds; Reviewing cash positions across all funds is essential to proper analysis.

Considerations regarding cash receipts must look beyond state apportionments for LCFF. To a lesser degree of impact, cash flow analysis must include:

- Property taxes – April is a significant month for property tax receipts. Monitor and analyze apportionments from the county auditor/controller and treasurer/tax collector against the existing cash flow projections. Most California counties operate under the Teeter Plan for tax collection apportionments to local agencies, in which the tax levy is apportioned without regard to delinquencies, shielding local agencies from the impacts of late and nonpayments. County offices of education and districts should consult frequently with their county auditor/controller and treasurer/tax collector to understand cash flow expectations and adjust cash flow projections accordingly.
- Local cash receipts from a variety of sources are also adversely affected, including:
    - Parent-paid nutrition programs, childcare programs, and transportation programs.

  - Facility leases and use of facilities fees
- Lottery sales are impacted from the stay-at-home orders. While new lottery revenue forecasts for third and fourth quarters have not been released, cash flows should assume a decreased third quarter payment (and fourth quarter accrual).

Regarding cash payments, most LEAs are experiencing unplanned, extraordinary expenditures including:

- The shift to distance learning including procuring technology and network access devices
- Maintaining salaries and in some cases increasing compensation for disaster service workers
- Accounting for interfund cash lending or deficit absorption in the general fund to cover cafeteria fund and childcare program deficits

LEAs should also consider delaying any nonessential payments and discretionary purchases to preserve available cash for critical operational functions. Savings should also be accounted for, including utilities, fuel, some contracted services, and other variables related to the physical operations of campuses (using summer months as an example).

If the cash flow projection for the LEA shows negative for any period (month, week, or day), corrective action must be taken to ensure sufficient cash resources are made available to eliminate this negative position. In some counties, county treasurers automatically provide safeguards by allowing short-term negative cash balances in one fund if they are offset by other LEA funds. You should clearly understand how your county treasurer functions when it comes to LEA cash balances. If corrective action is required, it may include the use of alternative liquidity resources and adjustments to expenditure plans, or a combination of both.

Alternative Liquidity

Alternative liquidity is a fancy term for the identification of available cash resources outside of the LEA's general fund. Therefore, expanding the cash projections and monitoring across all funds is essential. LEAs should immediately begin to prepare alternative liquidity schedules that show the projected cash flow and cash balance for each fund by month, and in some cases by week. Alternative liquidity analyses should also look beyond the district's funds on deposit in the county treasury and determine what short-term borrowing options exist for cash flow and working capital needs.

Regarding interfund borrowing, LEAs should analyze the various forms of alternative liquidity against the provisions of Education Code Section 42603. Borrowing from other funds to satisfy temporary shortfalls in operating cash is common practice among California school districts. With increasing uncertainty about the state apportionment plans, districts should refresh their knowledge on proper interfund borrowing. Now is the time to prepare temporary borrowing resolutions for your board of education to consider for approval. This authorization will enable LEA business officials to quickly access the cash resources in other funds by temporarily transferring those resources to where they are needed. A best practice is to adopt a resolution at the start of each fiscal year to authorize interfund borrowing throughout the year; but if such authorization does not currently exist through June 30, 2020, a resolution should be prepared now for the current year.

Education Code Section 42603 allows temporary borrowing between funds, stating the following:

> The governing board of any school district may direct that moneys held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations. The transfer shall be accounted for as temporary borrowing between funds or accounts and shall not be available for appropriation or be considered income to the borrowing fund or account. Amounts transferred shall be repaid either in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year. Borrowing shall occur only when the fund or account receiving the money will earn sufficient income, during the current fiscal year, to repay the amount transferred. No more than 75 percent of the maximum of moneys held in any fund or account during a current fiscal year may be transferred.

LEAs need to be mindful of the interfund borrowing repayment requirements specified in code. Failure to repay a lending fund in accordance with the statutory provisions can damage the trust of the district's stakeholders and should be identified as a deficiency in the district's annual audit report.

The Education Code does not limit interfund borrowing authority to particular funds and includes no specific exclusions for funds holding restricted dollars. Borrowing from bond proceeds is not advisable and, in some cases depending on bond official statement offering documents, may be inappropriate. This includes the potential loss of tax-exempt status for the bonds, the loss of the direct subsidy payments, possible disclosure violations, and other legal considerations that should be avoided. FCMAT recommends that districts utilize the other options available to mitigate a temporary cash shortage instead of using bond proceeds. This coincides with guidance outlined in a previous Fiscal Alert as well as in an advisory published by the California Debt and Investment Advisory Commission (CDIAC). Also see FCMAT Fiscal Alert Interfund Borrowing Using Bond Proceeds (https://www.fcmat.org/PublicationsReports/FCMAT_Fiscal_Alert-Interfund_Borrowing_Using_Bond_Procees-10-1-19.pdf). Ultimately the decision to borrow from bond proceeds should be made locally after consultation with the LEA's bond counsel.

As mentioned, alternative liquidity is not limited to interfund borrowing but includes other options available to districts in need of temporary cash as follows:

1. Tax and Revenue Anticipation Notes (TRANs)

   Another common method to mitigate a cash shortfall is a TRANs, a short-term note that may be issued by the district or the county board of supervisors on its behalf and secured by anticipated tax revenues to be collected in the same fiscal year. TRANs funds, sometimes held in a "proceeds" account, may be used for any purpose, including current expenses, capital expenditures, repayment of indebtedness and working capital. Many districts access TRANs through pooled TRANs such as through their county office of

education or a related organization. There is usually a minimum of 90 days lead time to complete a TRANs transaction and pay cost of issuance fees for attorney, financial advisor, underwriter, and other professional assistance.

2. County Superintendent of Schools (Education Code sections 42621 and 42622)

   A district may borrow from the county superintendent of schools with the approval of the county board of education. Funds loaned by the county superintendent are subject to availability of excess funds held by the county superintendent. Funds must be repaid within the same fiscal year. (EC 42621)

   Similar provisions exist for county superintendent of schools to make a conditional apportionment to a district or charter school that may be paid back to the county superintendent in the subsequent fiscal year. (EC 42622)

3. County Treasurer

   The California Constitution, Article XVI, Section 6, states the following:

   > …the treasurer of any city, county, or city and county shall have power and the duty to make such temporary transfers from the funds in custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any city, county, city and county, district, or other political subdivision whose funds are in custody and are paid out solely through the treasurer's office. Such temporary transfer of funds to any political subdivision shall be made only upon resolution adopted by the governing body of the city, county, or city and county directing the treasurer of such city, county, or city and county to make such temporary transfer. Such temporary transfer of funds to any political subdivision shall not exceed 85 percent of the anticipated revenues accruing to such political subdivision, shall not be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and shall be replaced from the revenues accruing to such political subdivision before any other obligation of such political subdivision is met from such revenue.

   To borrow from the county treasurer, the district must submit a resolution to the county board of supervisors requesting a loan. Following the board's approval, the county treasurer's office disburses to the district an amount not to exceed 85% of the amount of money accruing to the district during the current fiscal year. Repayment of the advance is made from tax revenues accruing to the district later in the fiscal year.

Cash Monitoring

Cash should always be monitored routinely and in-depth. The best practice is to monitor cash flow projections against actuals monthly. However, in rapidly changing environments, it is highly recommended and not unusual to expand that monitoring to real time for planned receipts and high dollar expenditures. In times of uncertainty, at a minimum, monitoring should occur weekly. The goal of the increased surveillance is to ensure you do not incur a shortfall or fall below a preestablished balance for working capital needs.

Reserves as components of the fund balance are not necessarily equivalent to cash holdings but may be backed by other assets. During uncertain times, it is essential to ensure that all reserves are supported by equivalent cash balances. During the previous period of economic distress it was not uncommon for LEAs to have adequate fund balance reserves, but as a result of both inter-year and intra-year cash deferrals from the state, only a small portion of the reserves were backed by cash balances at any given time. This limited the usefulness of the reserves for an emergency or unforeseen circumstance.

In most cases, the link between LEAs and county treasurers (who serve as the LEA's treasurer) is through the county superintendent. In a fiscally uncertain environment, it is essential to maintain regular communication and strengthen relationships with the county treasurer. County superintendents should ensure that property taxes, state apportionments, interest income, and other cash resources are recorded timely to school district accounts. In addition, timely reconciliations, including clearing accounts, are important in ensuring the accuracy of all incoming and outgoing cash. County superintendents serve a vital role for the LEAs regarding cash flow monitoring.

Conclusion

The accuracy and reasonableness of preparing cash flow projections through the subsequent fiscal year depends on both apportionment schedules and budget assumptions. At a minimum, each budget scenario prepared should have at least one cash flow projection (all funds). However, apportionment considerations can and will be adjusted without regard to budget assumptions and will necessitate more than one cash flow projection scenario for each budget scenario. For example, a budget scenario with a zero cost of living adjustment for 2020-21 will necessitate at least two cash flow scenarios; one with a June deferral to July and one without. The June deferral, if following past accounting practice, will not adversely affect revenues, only cash receipts.

Remember that an emergency appropriation for districts (e.g., a state takeover of an LEA's governance) is triggered by insufficient cash flow to meet payroll at a given time. The trigger is influenced by budget deficits but is based on cash flow projections. Despite the challenges with cash flow during the Great Recession, LEAs managed their cash flow adequately and avoided the need for state intervention.

Cash oversight is always an important LEA responsibility, and it is especially heightened during this difficult and uncertain economic time. We recommend LEAs dedicate sufficient resources to regular and accurate monitoring of cash availability to ensure critical functions can continue without interruption. Yes, cash is king. But also remember, cash shows no mercy if you run out.

Analysis of School District Reserves



MAC TAYLOR • LEGISLATIVE ANALYST • JANUARY 2015

LAO

TABLE OF CONTENTS

Executive Summary 1
Introduction 3
Overview of School District Reserves 3
Analysis of General Fund Reserves 8
New Reserve Requirements 15
Analysis of New Requirements 16
Recommendations 19
Conclusion 22

EXECUTIVE SUMMARY

Many Questions About School District Reserves and Recent Legislation. In June 2014, the state enacted a new law to cap school district reserves in certain years and require greater disclosure of district reserve levels each year. Since last June, members of the Legislature have asked for more information about reserves and the administration has expressed interest in further discussing reserve caps. This report begins by analyzing recent trends in district reserves and then makes recommendations regarding reserve caps and reserve-disclosure requirements.

School District Reserves

District Reserves Have Up to Five Components. The balance in a school district's General Fund account is often referred to as a *reserve*. Consistent with accounting standards, districts classify monies in their reserves as nonspendable, restricted (by law or external condition), committed (earmarked for future use by the school board), assigned (earmarked by the superintendent or other district official), or unassigned (all other monies).

Districts Have Reserves for Several Reasons. Districts use their reserves to (1) manage cash flow, (2) mitigate volatility in funding, (3) address unexpected costs, (4) save for large purchases, and (5) obtain higher credit ratings.

District Size and Other Factors Affect Reserves. The median reserve for small districts in 2013-14 is 66 percent of General Fund expenditures whereas it is 21 percent for mid-sized districts and 15 percent for large districts. Small districts tend to maintain higher reserves (relative to their budgets) because they have more difficulty managing unexpected costs. Though size is an important factor in explaining district reserve levels, notable differences in reserves exist even among similarly sized districts. Districts with relatively high reserves for their size category often report saving for particularly large projects and tend to face more difficult cash flow situations. They also are more likely to have strong preferences for minimizing financial risk rather than spending for immediate priorities.

State and Federal Actions Also Affect School District Reserves. During the past recession, a series of unusual state and federal actions—including trigger cuts, deferrals, and school finance reform—contributed to districts carrying higher than historical reserve levels. District reserves statewide were about 15 percent of General Fund expenditures in 2007-08, whereas they had increased to 21 percent by 2011-12. At 20 percent in 2013-14, reserves remain above prerecession levels.

New State Requirements

New Law Caps District Reserves Following Deposit in State School Reserve. Recent legislation includes a provision capping district General Fund reserves if, during the previous year, the state made a deposit into the state school reserve recently established by Proposition 2. The caps vary according to district size, with assigned and unassigned reserves capped at 6 percent of expenditures for mid-size districts. Districts may apply to their county offices of education for exemptions from these caps if they face extraordinary fiscal circumstances.

New Law Also Includes Additional Disclosure Requirement. The law also requires any district exceeding state minimum reserve guidelines to provide justification for maintaining the higher reserves. The disclosure requirement applies every year beginning in 2015-16.

New Caps Quite Low. Had caps been operative in 2013-14, all but 81 of the 944 districts in the state would have needed to apply for exemptions or adjust their budgets to comply with the law. For mid-size districts, the typical existing reserve is about three times higher than the cap. The cap also is far below the reserve level generally needed to receive a top credit rating.

Districts Could Respond in Various Ways. Many district officials we interviewed indicated they would rely on their county offices of education to grant an exemption. Other districts would shift monies to avoid the cap. For example, districts could redesignate assigned reserves as committed reserves, which are not subject to the cap. Other districts would take action to spend down their reserves.

Assessment and Recommendations

Several Concerns With Caps, Recommend Repeal. To the extent districts begin shifting monies to avoid the caps, we are concerned that local budgeting practices could become more confusing. To the extent districts begin spending down their reserves, we are concerned that they would incur a number of risks:

- ***Difficulty Maintaining Programs in Tight Fiscal Times.*** The reserve caps would allow most districts to maintain only a few weeks of payroll in reserve.
- ***Difficulty Addressing Unexpected Costs.*** Emergency facility repairs and other unexpected costs would place districts with low reserves in a precarious position.
- ***Greater Fiscal Distress.*** Historically, districts with reserves below the caps have been about twice as likely to be flagged for fiscal intervention as their peers with higher reserves.
- ***Higher Borrowing Costs.*** Districts with lower reserves could have their credit ratings reduced, increasing the cost of borrowing money.

We also are concerned that the caps become operative following any deposit into the state school reserve—even if the size of that deposit is much smaller than the triggered reduction in local reserves. To avoid all these risks, we recommend the Legislature repeal the reserve caps.

Recommend Refining Disclosure Requirements. We believe that additional information about reserves could help school boards and communities better assess the trade-offs between additional spending and saving for future priorities. We are concerned, however, that the disclosure requirements do not consider individual district circumstances and exempt districts with very low reserves. We recommend the Legislature modify the disclosure provision to require all districts to develop local reserve policies. Each year, districts would explain the difference between their current reserves and their policies. Such an approach is consistent with recent state funding reforms designed to enhance local control and encourage decision making that reflects local priorities.

INTRODUCTION

School District Reserves Become Hot Topic. In June 2014, the state enacted a new law to cap school district reserves in years following a deposit in the state school reserve recently established by Proposition 2. This legislation also created a separate requirement for districts to disclose certain information about their reserves each year. Both provisions were introduced during negotiations with the administration shortly before the adoption of the state budget, allowing relatively little time for the Legislature to review the proposals. Since last June, members of the Legislature, school district officials, and members of the public have asked for more information about school district reserves. Why do districts have reserves? How have reserve levels changed over time? Why do reserve levels vary from district to district? Other questions have focused on how districts will respond to the cap and how the caps will affect district finances.

Report Provides Assessment of District Reserves and New Reserve Requirements. The report has five sections. First, we provide an overview of the key concepts needed to understand school district reserves. Next, we analyze trends in reserve levels over time and discuss some of the factors that cause reserve levels to vary among districts. Third, we describe the new caps and disclosure requirements in detail. Then, we describe how districts could respond to the caps. Finally, we provide our assessment of the caps and the disclosure provision and make recommendations regarding the future of these new requirements.

OVERVIEW OF SCHOOL DISTRICT RESERVES

School District Budgets Have Multiple Accounts

School Districts Report Revenues and Expenditures for Each Account. The state requires all districts to maintain a record of their revenues and expenditures for each fiscal year. The state further requires districts to track these revenues and expenditures in different accounts. Using multiple accounts allows districts to demonstrate that public funds have been used in accordance with state and federal laws. At the end of each fiscal year, districts file a financial report with the California Department of Education (CDE) summarizing the transactions in each of their accounts. Districts also undergo annual financial audits to verify the accuracy of their financial records.

General Fund Is Main Operating Account. All districts maintain a General Fund account that receives most revenue for operating K-12 programs. Districts deposit revenue from the Local Control Funding Formula as well as most other state and federal grants into their General Fund accounts. Although some of the revenue deposited into the General Fund must be spent for specific activities, monies in the General Fund usually may be spent for any purpose. Districts pay most operating expenses, including teacher salaries, books, and utilities, from their General Fund accounts.

Other Accounts Associated With Specific Activities. In addition to the General Fund, a district can report transactions in as many as 29 special accounts. These accounts exist to segregate the transactions associated with specific activities. Districts generally engage in only a

few of the possible activities requiring a special account and do not have transactions in all 29 accounts. For most districts, the largest and most commonly used special accounts are those related to capital projects. For example, districts that levy developer fees to pay for new facilities must record the associated revenues and expenditures in the Capital Facilities account. Given these types of accounts by definition serve limited purposes, the remainder of this report focuses specifically on the General Fund. (One exception involves an account known as the "Special Fund for Other Than Capital Outlay," which functions like an extension of the General Fund in virtually all respects. Throughout this report, all references to the General Fund account are inclusive of this special account.)

Every Account Has a Reserve Balance

Reserves Change With Revenues and Expenditures Each Year. Districts rarely spend exactly what they receive in revenue each year. When *revenues* exceed *expenditures* in a particular year, the district has a *surplus*. When *expenditures* exceed *revenues*, the district has a *deficit*. Each year, districts with surpluses add to their reserves whereas districts with deficits draw down these reserves. Since districts have separate accounts, each account has its own level of reserves based on the revenues and expenditures within that account. (Accountants use the term "fund balance," rather than "reserves," to convey the idea that there is a residual amount, or balance, associated with each individual account, or fund.)

Districts Required To Categorize Monies in Their Reserves. Accounting standards and associated state regulations require districts to group the reserves within each account into five possible categories. Figure 1 describes these categories and shows the statewide totals for each category within districts' General Fund accounts. The categories reflect varying levels of discretion that districts have in spending their reserves. Not every district will have monies to report in all five categories.

Districts Can Determine How Some Reserves Are Designated. The first two categories in Figure 1—*nonspendable* and *restricted*—show the portion of a reserve that is subject to some form of external constraint, usually a state or federal law. Two of the remaining three categories show constraints that districts can impose upon themselves. Districts use the *committed* and *assigned* categories to earmark reserves for specific future spending, such as the purchase of new textbooks. The practical difference between these two categories is whether the school board (for committed reserves) or a district official (for assigned reserves) has earmarked the monies. The *unassigned* category includes all amounts not designated for a specific purpose, including amounts set aside for addressing economic uncertainties. Districts that classify some part of their reserves as committed, assigned, or unassigned may later reclassify those amounts if desired. With a few exceptions, districts also can move these portions of their reserves between their General Fund accounts and their special accounts.

Reserves a Key Indicator of Fiscal Health

General Fund Reserves Are a Widely Used Measure of Fiscal Health. The General Fund reserve of a government or public agency provides a succinct summary of the financial resources available for future use. A reserve that is stable or growing slowly over time usually indicates financial viability, whereas a declining reserve can indicate difficulty aligning expenditures with revenues. Since governments follow standard conventions when reporting reserves, their reserve levels can be compared. For all these reasons, lenders, employees, and members of the public use General Fund reserve levels to assess an agency's fiscal

health and ability to address future priorities and uncertainties.

Reserves Are a Component of School District Fiscal Oversight Process. In California, General Fund reserves are a key component of the state's system for overseeing school districts' fiscal condition. The state requires county offices of education (COEs) to review the condition of districts within their counties at various points during the year. At each point, COEs evaluate their districts using ten criteria developed by the state, including measures of reserves, operating expenditures, and salary costs. The COEs also consider multi-year budget projections and assess any unique risks facing their districts. The COEs then make holistic judgments as to whether their districts will be able to meet their financial obligations for the current year and the upcoming two years. Under this system, no single factor is responsible for a COE's determination. For districts that may not meet their obligations, COEs initiate additional oversight and may order districts to

Figure 1

The Five Components of a Reserve[a]

2013-14 (Dollars in Billions)

	Component	Description	Example	Statewide General Fund Amount[b]	Percent of Total
Designations outside of district control	Nonspendable monies	Amount that is unavailable for spending.	A donation toward a permanent endowment that does not allow the principal to be spent.	$0.1	1%
	Restricted monies	Amount that can legally be spent only for specific purposes.	An unspent state grant for serving students with disabilities.	2.1	21
Designations determined by district	Committed monies	Amount that can be used for any purpose but has been designated for specific future uses by the local school board.	Unspent LCFF funding set aside by the school board to repaint a building next year.	0.3	4
	Assigned monies	Amount that can be used for any purpose but has been designated for specific future uses by a district employee.[c]	Unspent LCFF funding set aside by the district superintendent to replace computers next year.	2.5	25
	Unassigned monies	Amount that can be used for any purpose and has not been designated for any specific future use.[d]	Unspent LCFF funding not yet designated for any specific future use.	4.8	49
	Totals			$9.8	100%

[a] Each account has a reserve consisting of one or more of these components.

[b] Includes amounts in the Special Fund for Other Than Capital Outlay. Based on preliminary data.

[c] Each school board determines who within the district has the authority to designate balances as assigned. Most school boards grant this authority to their superintendents or chief business officers.

[d] Includes monies designated for economic uncertainties or unexpected expenditures. Since these events are uncertain by definition, accounting standards prohibit districts from reporting these amounts as assigned or committed except in limited cases.

LCFF = Local Control Funding Formula.

revise their budgets if their financial conditions do not improve. Figure 2 summarizes the minimum unassigned reserves the state expects districts to maintain under this system. As shown in the figure, the minimum reserves range from 1 to 5 percent of annual expenditures and vary based on district size.

Fiscal Oversight Helps Districts Avoid Emergency State Loans. The purpose of the fiscal oversight process is to keep a district's finances from deteriorating to the point that the district needs an emergency loan from the state. (In 1992, the California Supreme Court found that the state had a constitutional obligation to ensure that districts with financial problems continue to operate so that the education of students in those districts is not disrupted.) An emergency loan has serious consequences for the affected district, including the loss of all local authority to a state-appointed administrator and the obligation to repay the emergency loan with interest. The oversight system has been largely successful in avoiding these situations, with only nine districts requiring emergency loans since 1991.

Reserves Help Districts in Five Major Ways

Apart from the desire to maintain solvency and avoid emergency loans, districts keep General Fund reserves for five major reasons. Figure 3 summarizes these reasons, which we describe below.

Manage Cash Flow. While reserves are not necessarily equivalent to cash on hand (see the nearby box), districts with higher reserves generally have more cash available than other districts. Districts use cash to meet payroll and pay bills as they arise. The largest recurring expenditure for any school district consists of salaries for employees, which districts pay throughout the year. Districts, however, do not receive all of their revenue on an even schedule. Property tax revenue, for example, arrives in two large installments (in December and April). State funding, while historically paid more evenly throughout the year, has been subject to large payment deferrals since 2008-09 (as described in the nearby box). Since districts vary widely in regards to how much revenue they receive from local and state sources, their cash flow situations vary. While districts can borrow money from investors to manage cash flow, many rely instead on their reserves.

Figure 2

State Guidelines for Minimum General Fund Reserves[a]

2013-14

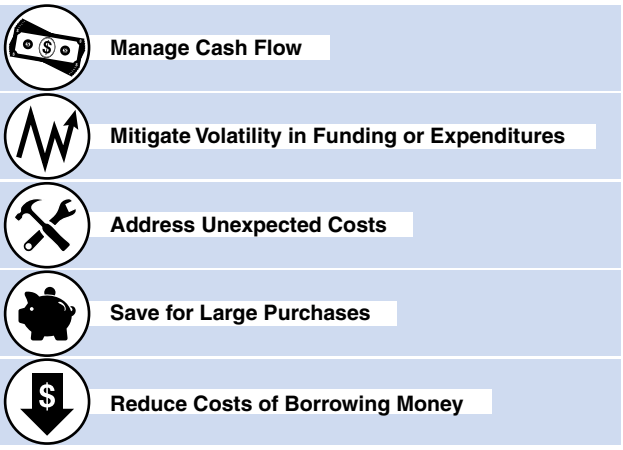
District Enrollment[b]	Minimum Unassigned Reserves[c]	Applicable Districts	Percent of All Districts	Applicable Enrollment[b]	Percent of All Enrollment
0-300	5%[d]	237	25%	29,758	<1%
301-1,000	4	164	17	93,390	2
1,001-30,000	3	516	55	3,693,734	67
30,001-400,000	2	26	3	1,157,838	21
400,001 or more	1	1	—	526,883	10
Totals		**944**	**100%**	**5,501,603**	**100%**

[a] Unassigned reserves in the Special Fund for Other Than Capital Outlay also count toward these minimums.
[b] As measured by average daily attendance.
[c] As a percent of annual General Fund expenditures.
d Minimum is 5 percent or $63,000, whichever is greater.

Mitigate Volatility in Funding or Expenditures. California's tax system relies heavily on income taxes paid by individuals and businesses, which are quite volatile revenue sources. Since more than 40 percent of the state's General Fund expenditures relate to K-12 education, this volatility affects school funding. Districts can use reserves to even out fluctuations in state funding by increasing spending more slowly in strong economic times and reducing spending more slowly during downturns. In addition to revenue volatility, certain district expenditures (such as healthcare benefits or pension costs) can be

Figure 3

Districts Keep Reserves For Five Main Reasons



Reserves Versus Cash

Reserves Not Always Equivalent to Cash on Hand. Although district reserves often are discussed as though they are equivalent to cash on hand, accounting conventions sometimes require districts to record revenue—and an increase in reserves—before districts actually receive the associated cash. For this reason, a portion of a reserve might not be available for immediate spending. As described below, the most significant example of the difference between reserves and cash on hand in recent years has revolved around state deferrals of school funding. (Though the reverse is possible—cash on hand in certain cases may be greater than reserves—this situation is rare, particularly during the last several years.)

State Payment Deferrals Created Large Gap Between Reserves and Cash. Since the onset of the last recession, the state has authorized some school funding in one fiscal year but not provided the associated cash until the following fiscal year. Districts record these payment deferrals as revenue in the year the payment would have been made absent the deferral. The result is that reserves in recent years have been much larger than cash on hand. State reliance on payment deferrals peaked in 2011-12, when the state deferred about $9.5 billion (20 percent) of all school funding. Largely for this reason, despite districts reporting General Fund reserves of $10.2 billion at the end of 2011-12, only about $4.3 billion of this amount equated to cash on hand. (Since other factors affect the gap between reserves and cash, this difference does not equate directly to the amount of funding deferred.) Districts eventually received the cash associated with these deferrals during the first few months of the following fiscal year.

difficult to predict precisely. Districts sometimes use reserves to address these cost increases rather than immediately reduce spending in other parts of their budgets.

Address Unexpected Costs. Whereas districts can anticipate some measure of volatility in their revenues and expenditures, other costs can arise unexpectedly. Examples include (1) special education costs for students with highly specialized needs; (2) an emergency facility repair related to a leaking roof, malfunctioning fire system, or gas leak; (3) a natural disaster, such as a drought or wildfire, that reduces student attendance and associated state funding; and (4) a lawsuit that results in a costly settlement or judgment against the district. Districts facing these unanticipated costs often draw down their reserves to address them. (This is, in part, because districts have few options for reducing expenditures during the course of the year. State law prohibits districts from laying off teachers and other certificated staff unless the district provided notice by March 15 of the prior fiscal year, and reductions in other staff take several months to implement. Midyear reductions also can be disruptive to student programs.)

Save for Large Purchases. Districts often build up reserves in order to make large one-time purchases. This approach avoids the need to borrow money. For example, districts commonly save for the upcoming replacement of (1) textbooks and related curricula; (2) computers; (3) school buses; and (4) equipment and facility components that have reached the end of their useful lives, such as worn out flooring or heating and cooling systems.

Reduce Costs of Borrowing Money. To finance the construction of school buildings and other capital projects, districts usually borrow money from investors. Before borrowing, most districts obtain a rating from one of three major credit rating agencies (Moody's Investors Service, Standard & Poor's Ratings Services, and Fitch Ratings). These ratings indicate the likelihood that districts will be able to repay their loans. Districts with the strongest ratings tend to pay the lowest interest rates because they represent a lower risk of defaulting on their loans. All three rating agencies consider reserves a significant factor in determining a district's rating, noting that reserves provide additional flexibility in times of stress. Moody's, for example, indicates that measures of General Fund reserves (in combination with cash on hand) are responsible for about 30 percent of its overall rating.

Many Districts Attempt To Keep Reserves Above State Minimums. Given the various reasons for districts to keep General Fund reserves, most districts attempt to maintain reserve levels that exceed the state minimums. A few of these districts have adopted explicit local policies defining the level of reserves they will attempt to maintain. While details vary, districts with such policies tend to seek unassigned reserves in the range of 5 to 17 percent of their expenditures. (A 17 percent reserve equals about 2 months of expenditures and is a common standard for local public agencies.)

ANALYSIS OF GENERAL FUND RESERVES

Statewide, School District General Fund Reserve Levels Have Fluctuated Over Time. Figure 4 shows how General Fund reserves (as a percent of General Fund expenditures) have changed since 1987-88. Reserves reached their lowest levels in 1991-92, when they were 8.3 percent of statewide expenditures. Reserves reached their highest levels in 2010-11, at 21.2 percent of expenditures. The two major declines in reserves (in the early 1990s and early 2000s) were both

associated with economic recessions. Later in this report, we describe key factors leading to the sharp increase in reserves since 2006-07.

Reserves Vary With District Size

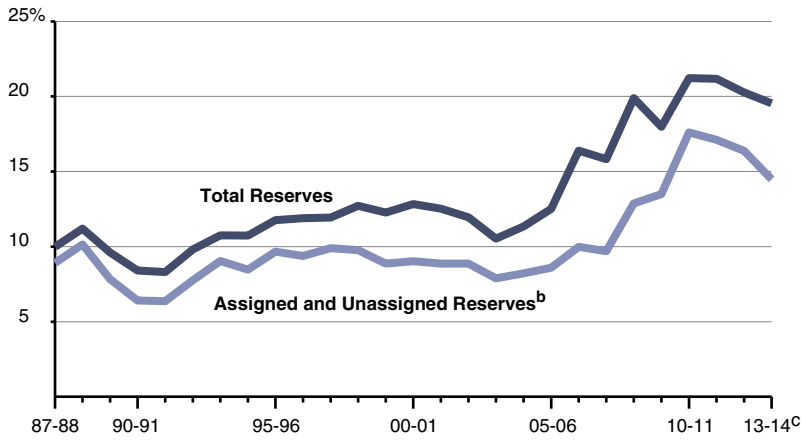
Aggregate Reserve Levels Mask Variation Based on District Size. As shown in Figure 5, a longstanding relationship exists between district size and General Fund reserves. Over the past 26 years, the state's smallest districts have maintained reserves four-to-five times larger than the state's largest districts. In 2013-14, for example, the state's largest districts—those with more than 30,000 students—reported a median reserve of 15 percent of expenditures. The state's smallest districts—those with fewer than 300 students—reported a median reserve of 66 percent.

Smaller School Districts More Easily Overwhelmed by Unexpected Costs. For smaller districts, reserves that are relatively high as a percentage of expenditures can be small in absolute terms. A single major facility repair or other large cost might require a small district to deplete most of its reserves in a single year. For districts with

Figure 4

Statewide Reserve Levels Have Fluctuated Over Time

General Fund Reserves as a Percent of Expenditures[a]



[a] Includes amounts in the Special Fund for Other Than Capital Outlay.

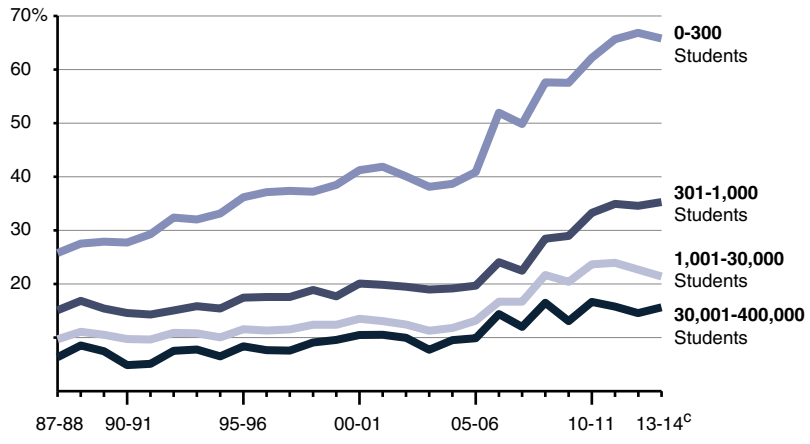
[b] Prior to 2011-12, districts classified their reserves using a different set of categories. Data reported before this time has been reclassified to correspond with current categories.

[c] Based on preliminary data.

Figure 5

Median Reserve Varies Based on District Size[a]

Median General Fund Reserves as a Percent of Expenditures[b]



[a] As measured by average daily attendance.

[b] Includes amounts in the Special Fund for Other Than Capital Outlay.

[c] Based on preliminary data.

much larger budgets, reserves that are small as a percentage of their budgets would be large enough to cover a similar cost. Larger districts also have somewhat more flexibility to make reallocations within their budgets. A large district, for example, might respond to an unexpected facility problem at one school by delaying scheduled maintenance at another school until the following year.

Some Districts Have Relatively High Reserves for Their Size

Even Among Similarly Sized Districts, Some Districts Have Much Higher Reserves. Though district size explains much of the variation in reserve levels across districts, some districts have much higher reserves than their peers of a similar size. For example, among the state's 516 mid-size districts (those with 1,001 to 30,000 students), the median reserve in 2013-14 was 21 percent. Forty-four of these districts, however, had reserves in excess of 42 percent. Among the state's 237 smallest districts (those with fewer than 300 students), the median reserve was 66 percent, though 34 of these districts had reserves more than twice this level. In the remainder of this section, we describe some of the findings from our interviews and data analysis that help explain why some districts have higher reserves than their peers.

Districts With Higher Reserves Report Large Purchases and Unique Circumstances. We surveyed 28 districts with relatively large reserves for their size in 2012-13 (the most recent year for which final data were available) and asked them to describe the circumstances that explained these reserves. Most responses included at least one of the following circumstances: saving for large purchases and facing unusual circumstances. About half of respondents indicated they were saving for costs associated with opening a new school site or some other facility-related project. Other frequently mentioned purchases included major software or technology upgrades, new textbooks, and new school buses. (District reserve levels can be cyclical to some extent, in that reserve levels are relatively high in the year before a large purchase is made and relatively low the following year.) Districts also reported a variety of unique circumstances. For example, three districts indicated they had been the recipients of one-time funding associated with the dissolution of their local redevelopment agencies and had not yet been able to spend this extra funding. Two districts thought they might need to make a large payment related to a pending lawsuit or audit. Two districts reported that their budgets depended on a specific federal grant that has not been disbursed on a consistent schedule in recent years.

Interviews Indicate Importance of Local Preferences. While our survey focused on 2012-13 reserve levels, we also interviewed a range of county and district officials to determine why districts might carry higher-than-average reserves over a longer period. Interviewees indicated that some districts have strong local preferences for minimizing financial risk. In these cases, districts are concerned that their communities would view them as mismanaging resources if they borrowed to cover cash flow or were flagged to receive additional oversight from their COE. In these districts, maintaining high reserves is part of a broader strategy—often including cautious assumptions about future revenue and expenditures—to minimize financial risk. Other districts, by contrast, have stronger local preferences for spending to meet immediate priorities. In these districts, communities place greater emphasis on maintaining or expanding programs. In addition, access to local facility funding can affect reserve levels. While districts often pay for building renovations and other capital projects with local bonds, some districts indicated that building up General Fund reserves was the only way to pay for

large capital projects because their communities would not support local bonds.

Districts With High Reserves More Likely To Have Very High or Very Low Property Tax Revenue. In addition to interviewing districts, we analyzed fiscal data for 60 districts that have reported much higher reserves than their peers of a similar size for six or more of the past ten years. The available data show that these districts are more likely to receive a relatively high or relatively low share of their funding from property taxes. Specifically, about 40 percent of these districts receive a small share (less than 15 percent) of their revenue from property taxes, compared with only 20 percent of districts statewide. Another 20 percent of these 60 districts receive all of their base per-pupil funding from property taxes, compared with 10 percent of districts statewide. This apparent paradox appears related to cash flow. Districts with very high property taxes receive almost no revenue except in December and April, and maintain higher reserves to cover expenditures in other months. Districts with very low property taxes, by contrast, have been most affected by state cash deferrals and have carried higher reserves to cover expenditures while awaiting state payments. Districts that rely more on a mixture of these revenue sources tend to have less difficulty managing cash flow.

Several Factors Contributed to Current Higher Reserve Levels

Recent Increases in Reserves a Notable Deviation From Past Trends. As shown earlier in Figure 4, General Fund reserves statewide rose sharply beginning in 2006-07 and have remained above historical levels through 2013-14. This trend differs from the experience in past recessions, when reserve levels declined. Our review finds that numerous state and federal actions contributed to the increase in reserves since 2006-07, and many of these actions had little precedent in prior recessions. In addition, many districts became more pessimistic and cautious in response to economic and budgetary uncertainties, preferring to build up reserves rather than undertake additional spending.

One-Time State and Federal Actions Contributed to Increases in Reserves. A number of state and federal actions had pronounced effects on reserves in specific years, including (1) one-time revenue, (2) proposed budget reductions that did not materialize, and (3) school finance reforms. Figure 6 (see next page) lists these actions. Below, we describe how they contributed to higher reserves.

- ***One-Time Funding.*** The state and the federal government provided districts with several large infusions of one-time funding between 2006-07 and 2013-14. When districts receive one-time revenue, they generally save some funding for future use rather than spend it all in a single year. By saving some of this funding, districts increase their reserve levels temporarily until the funding is spent.

- ***Potential Budget Reductions That Did Not Materialize.*** State law requires districts to have adopted their budgets no later than July 1. On several occasions, the state or federal government was contemplating a budget reduction at this time but rescinded the reduction several months later. Many districts, however, had already adopted budgets that reduced spending to accommodate the anticipated budget reductions. When the budget reductions did not occur, districts received more revenue than they had anticipated. The additional revenue increased reserve levels.

- ***State Funding Reforms.*** During the 2012-13 and 2013-14 budget cycles, the Governor proposed to restructure the way the state allocated school funding. Districts finalizing their budgets in June did not know whether the state would adopt these proposals or how much associated funding they would receive. Many districts responded to this uncertainty by assuming their funding levels would remain flat or grow only by a cost-of-living adjustment (consistent with previous budgetary practice). Because funding in 2012-13 and 2013-14 ultimately increased substantially more than districts initially planned and the new funding formula adopted

Figure 6

State and Federal Actions Contributed to Higher District Reserves

2006-07

State Block Grants. The 2006-07 budget allocated $2.5 billion in one-time block grants to districts and individual school sites. Of this amount, $1 billion was for any purpose and $1.5 billion was for specific activities (such as replacing instructional materials or purchasing physical education equipment). This funding remained mostly unspent at the end of 2006-07.

2008-09

Federal Stimulus Funding. In February 2009, the federal government passed the American Recovery and Reinvestment Act, which provided $6 billion in funding for California school districts to spend over a three-year period. Districts received $2.3 billion a few weeks before the end of 2008-09 and the remaining funds in 2009-10. Districts had about $2 billion of this funding remaining at the end of 2008-09 and $550 million remaining at the end of 2009-10.

2010-11

Proposed State Program Reductions Replaced With Deferral. The Governor's May Revision proposed a reduction in general purpose school funding, but the final budget—signed in October—replaced this proposed cut with a $1.7 billion payment deferral.

Federal Education Jobs Funding. In August 2010, the federal government passed the Education Jobs and Medicaid Assistance Act, which included $1.2 billion for California school districts to spend over a two-year period. The funds were to help retain staff and avoid layoffs. About $750 million remained unspent at the end of 2010-11.

2011-12

Potential State Trigger Cuts. The 2011-12 budget package included automatic, midyear reductions to school funding of up to $1.8 billion ($300 per student) if state revenues fell below expectations. The actual midyear reduction was $300 million ($50 per student).

2012-13

Potential State Trigger Cuts. The 2012-13 budget package included automatic, midyear reductions to school funding in the event voters did not approve Proposition 30 in the November 2012 election. Specifically, the state was to reduce school funding by $2.7 billion ($450 per student) and defer payment of an additional $2.1 billion if the measure failed.

State Funding Reform. The Governor's January and May budget proposals for 2012-13 included a new system for allocating school funding (known as the Weighted Student Formula). The June budget rejected this proposal and retained the existing school funding formulas.

2013-14

State Funding Reform. The Governor's January and May budget proposals for 2013-14 included a new system for allocating school funding (known as the Local Control Funding Formula). The June budget included this proposal, with some modifications to the formula.

State Grant for Common Core Implementation. The 2013-14 budget package included $1.25 billion for the implementation of the Common Core State Standards over a two-year period. The funds were to support professional development, instructional materials, and technology. About $700 million remained unspent at the end of 2013-14.

Federal Sequestration. A federal law required a series of across-the-board reductions to most federal programs if Congress did not approve a comprehensive deficit reduction plan. These reductions, known as sequestration, were expected to reduce federal education funding by 5.9 percent in 2013-14 and by further amounts in subsequent years. Congress exempted most K-12 funding from sequestration in December 2013.

in 2013-14 was linked to certain student characteristics, some districts' reserve levels increased considerably.

Local Pessimism and Caution Also Affected Reserve Levels. While specific state and federal actions affected reserve levels, growing pessimism and caution among districts also contributed to higher reserves. After the uncertainty over the fate of Proposition 30 was resolved (with its passage), most districts, for example, did not immediately begin spending down their reserves. Instead, many maintained their higher reserves in anticipation of future fiscal difficulties. Below, we describe two uncertainties that appear to have had the greatest effect on districts' decision-making:

- ***Pessimism Regarding State Economy and State Budget.*** Several county business officials we interviewed commented that many of their districts became increasingly pessimistic about the prospects for a recovery as the state's budget problems persisted. That is, the more that districts reduced their spending in response to flat or declining levels of state funding, the more concerned they became that additional reductions might be needed in the future. Many districts preferred to save their reserves for future contingencies rather than undertake additional spending while the economy remained sluggish.

- ***Concerns Regarding Cash and Payment Deferrals.*** Many district and county officials we interviewed indicated that districts were concerned about having cash on hand to cover immediate expenditures. Since the state payment deferrals resulted in a large gap between reserves and cash on hand, some districts ended the year with higher reserves as a result of trying to maintain cash at a level that enabled them to pay all bills even during their most cash-poor months. In addition, while the state made some efforts to provide advance notice of cash deferrals, many districts believed further deferrals might be forthcoming.

As Effects of One-Time State and Federal Actions Fade, Reserves Seem Likely To Decline. As a result of the one-time state and federal actions described earlier, as well as local pessimism and caution, many districts have built higher reserves than they have traditionally maintained. In a more stable budget environment, however, districts seem less likely to view reserves of this level as essential. Moreover, many districts delayed spending on critical activities during the last recession, including facility maintenance, textbook purchases, and professional development. Addressing these areas seems likely to place further downward pressure on reserves. As shown earlier in Figure 4, reserves already have decreased modestly from their peak, declining slightly in 2012-13 and 2013-14.

School District Reserves Not Especially High Compared With Other Entities

We compared school district reserves with three other entities: the California Community Colleges (CCC), California cities, and school districts in a few other large states. Overall, school district reserves do not appear especially high in any of these comparisons. Given the differences in structure, responsibilities, and funding across these entities, these comparisons are intended only for broad context—not to assess the appropriateness of any particular level of reserves.

School District Reserves Similar to CCC. The CCC system consists of 72 community college districts that provide academic instruction and vocational training to adult learners across the state. Like school districts, community colleges receive

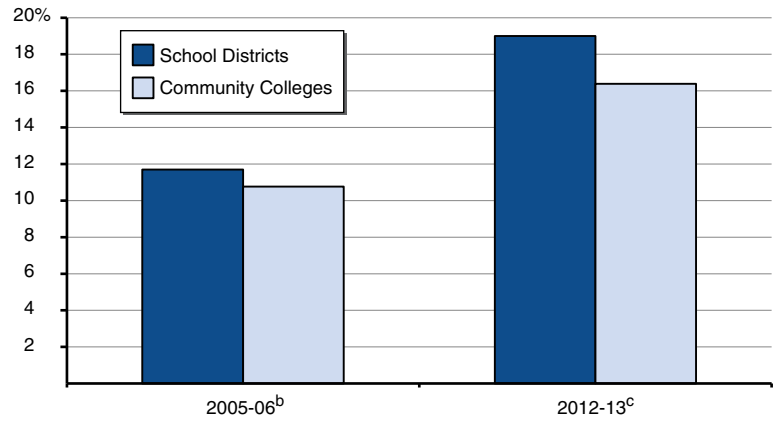
funding from a combination of state General Fund revenue and local property tax revenue. (Community colleges also receive a small amount of funding from student fees.) Figure 7 compares the median reserve levels (as a percent of expenditures) for school districts and community colleges with annual budgets of $50 million to $150 million per year in 2005-06 and 2012-13. (This range includes about half of community college districts and about 150 school districts.) As Figure 7 shows, reserves for school districts were slightly higher than those of community colleges in both years.

School District Reserves Lower Than California Cities. California has 482 cities that perform various activities such as providing police and fire services. Cities receive most of their funding from fees, sales taxes, and property taxes. Though cities differ from school districts in many respects, we include this comparison to illustrate how other local public agencies in California set their General Fund reserve levels. Figure 8 compares the median committed, assigned, and unassigned reserves for school districts and California cities

Figure 7

School District Reserves Comparable to California Community Colleges[a]

Median General Fund Reserves as a Percent of Expenditures



[a] Includes school districts and community colleges with annual General Fund expenditures of $50 million to $150 million.

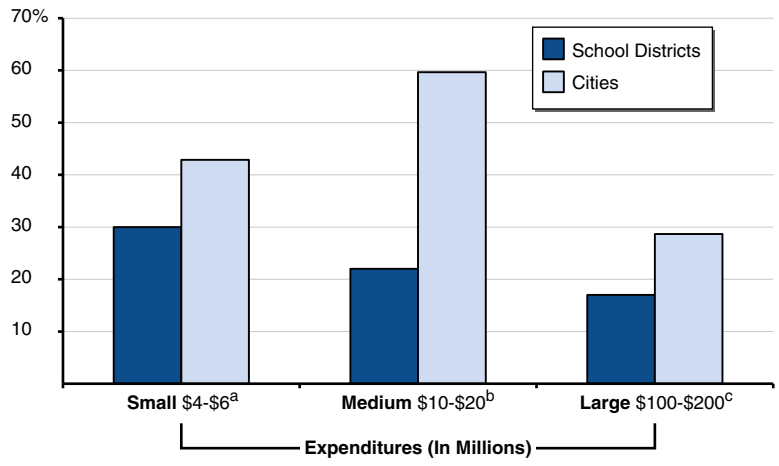
[b] Includes 154 school districts and 34 community colleges.

[c] Includes 155 school districts and 38 community colleges.

Figure 8

School District Reserves Lower Than Cities of Similar Size

2012-13 Median Committed, Assigned, and Unassigned General Fund Reserves as a Percent of Expenditures



[a] Includes 61 school districts and 26 cities.

[b] Includes 112 school districts and 90 cities.

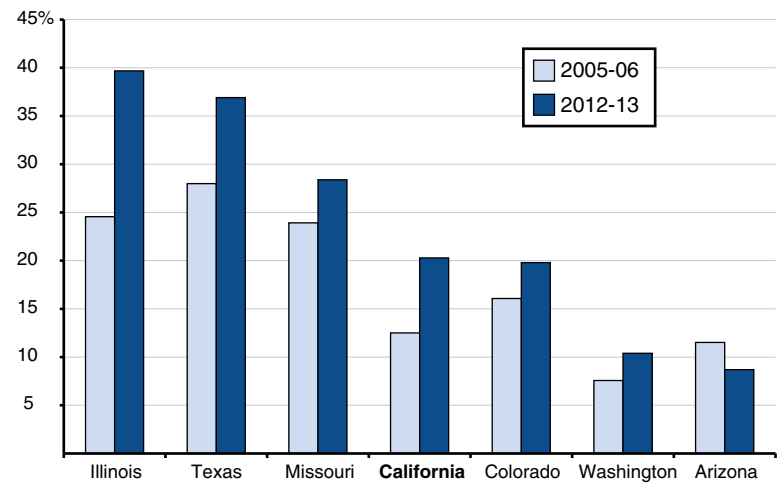
[c] Includes 79 school districts and 25 cities.

in three size categories for 2012-13. (The nonspendable and restricted reserves are not directly comparable across these two entities.) As the figure shows, school district reserves are lower than city reserves in these comparisons, particularly for cities and school districts with annual General Fund expenditures between $10 million and $20 million. (Unlike school districts, city reserve levels have not changed significantly over the past several years.)

Figure 9

School District Reserves Mid-Range Relative to Districts in Other States

Statewide General Fund Reserves as a Percent of Expenditures



School District Reserves Mid-Range Relative to School Districts in Other States. Like California, other states fund their school districts with a combination of state aid and local property taxes. Figure 9 compares total school district reserves in California with six other large states. (We selected these states because they have large public school systems and educate students in a somewhat similar mix of small, medium, and large districts as California. Due to some differences in the way states report data, the comparisons are not exact.) As the figure shows, California school district reserves in 2012-13 were lower than three states, similar to one state, and higher than two states. The figure also shows that school districts in five of the other six states increased their reserves between 2005-06 and 2012-13.

NEW RESERVE REQUIREMENTS

School District Reserves Capped in Some Years

School District Reserves Capped in Years Following Deposits in New State School Reserve. Chapter 32, Statutes of 2014 (SB 858, Committee on Budget and Fiscal Review), included a provision capping district reserves in certain years. As Figure 10 shows (see next page), the caps prohibit districts from adopting a budget that contains total *assigned* and *unassigned* reserves of more than twice the applicable state minimums for *unassigned* reserves. (For Los Angeles Unified, which has a lower minimum than other districts, the cap is three times the minimum.) Other components of district reserves, including nonspendable, restricted, and committed reserves, do not count toward the caps. These caps are in effect only if, during the preceding fiscal year, the state made a deposit into the state school reserve recently established by Proposition 2. State deposits in this reserve are predicated on certain conditions, including strong growth in state revenue. The

caps do not apply to COEs, charter schools, or community colleges. (Since the caps are linked to the minimum reserves for General Fund accounts, the caps likewise appear to apply only to reserves in that account. A recent report by the California School Boards Association, however, notes that the law does not explicitly limit the cap to the General Fund account. Under a possible alternative interpretation of the law suggested in that report, the caps could apply to total assigned and unassigned reserves in all accounts, not just the General Fund. In this report, we assume the caps are limited to the General Fund.)

Figure 10

Districts' Reserves Capped Following Deposits in State School Reserve

District Enrollment[a]	Minimum Reserves[b]	Reserve Caps[c]
0-300	5%[d]	10%[e]
301-1,000	4	8
1,001-30,000	3	6
30,001-400,000	2	4
400,001 or more	1	3

[a] As measured by average daily attendance.
[b] State guidelines for minimum unassigned reserves.
[c] Maximum assigned and unassigned reserves in the General Fund and Special Fund for Other Than Capital Outlay as a percent of expenditures.
[d] Minimum is 5 percent or $63,000, whichever is greater.
[e] Maximum is 10 percent or $126,000, whichever is greater.

COEs May Issue Exemptions. Chapter 32 allows districts to apply to their COE for an exemption from the caps if they can document "extraordinary fiscal circumstances" that justify the exemption. The law cites multiyear infrastructure and technology projects as examples of such circumstances. COEs may grant this exemption to a district for up to two consecutive years within a three-year period. To receive an exemption, districts must (1) explain the need to exceed the caps, (2) identify the amount of reserves associated with the extraordinary fiscal circumstances, and (3) demonstrate that no other fiscal resources are available to address these circumstances.

New Reserve Disclosure Requirement

Districts Required To Justify Reserves Exceeding State Minimums. In addition to the new caps, Chapter 32 includes a new disclosure requirement for any district that adopts a budget with total assigned and unassigned reserves exceeding the applicable state minimum reserves. As part of each budget adoption or budget revision, a district must (1) indicate the state minimum reserve that applies to the district, (2) identify the amount of assigned and unassigned reserves that exceed the state minimum, and (3) substantiate the need to have reserves exceeding the state minimum. Unlike the caps, the disclosure requirements apply every year beginning in 2015-16. Given only 35 (of 944) districts had reserves that were below the state minimums in 2013-14, these annual disclosure requirements likely will apply to most districts moving forward.

ANALYSIS OF NEW REQUIREMENTS

Reserve Caps Are Relatively Low

Several Comparisons Indicate New Caps Are Low. We compared the reserve levels allowed by the caps to three benchmarks: (1) historical school district reserve levels, (2) reserve levels associated with strong credit ratings, and (3) recommendations issued by a national organization representing government finance

officials. As we describe below, the new caps are low relative to all of these comparisons.

Caps Are Low Relative to Current and Historical Levels. The new caps would require districts to maintain notably lower reserves compared with current and historical school district practices. In 2013-14, districts had assigned and unassigned General Fund reserves totaling $7.3 billion. If all districts had instead maintained the maximum amount allowed by the caps, these reserves would have been limited to $2.8 billion, about one-third of the existing amount. Figure 11 compares the median assigned and unassigned reserves districts reported in 2013-14 with the amounts that would be allowed by the caps. For mid-size districts, the 6 percent cap is about one-third of the 15 percent reserve these districts currently maintain. For the state's smallest districts, the 10 percent cap is about one-fifth of the 53 percent reserve these districts currently maintain. Overall, only 81 of the state's 944 districts (about 1 in 10) had reserves at or below the capped levels in 2013-14. In addition, even before the increase in district reserves that began in 2006-07, only about one in five districts had reserves below the levels allowed by the caps.

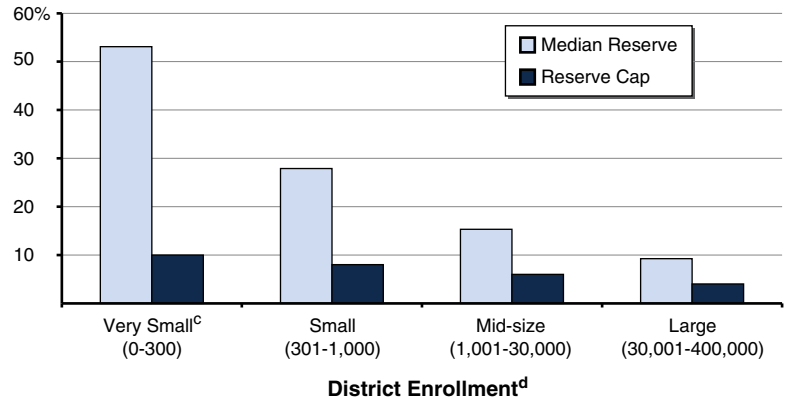
Caps Are Low Relative to Amounts Associated With Strongest Credit Ratings. We reviewed rating information provided by the major credit rating agencies and found that the caps would limit reserves to levels well below the amounts associated with the strongest ratings. For the 109 mid-size districts that hold one of the strongest ratings from Moody's Investors Service, for example, the median assigned and unassigned General Fund reserve is 17 percent. These reserve levels are nearly three times higher than the cap for mid-size districts.

Caps Are Low Relative to Government Finance Officers Association Recommendation. The Government Finance Officers Association is a national organization representing federal, state, and local budget officers and other finance officials. The association recommends school districts and other local governments maintain committed, assigned, and unassigned reserves of at least two months of operating expenditures (equating to a 17 percent reserve) to mitigate revenue shortfalls and unanticipated expenditures. The association further recommends all governments develop a formal policy regarding their minimum reserves and consider maintaining reserves larger than 17 percent if revenues or expenditures are especially volatile. A few districts have used this standard to develop their own local reserves policies. These

Figure 11

Reserve Caps Much Lower Than Existing Reserve Levels[a]

Assigned and Unassigned General Fund Reserves as a Percent of Expenditures[b]



[a] Based on preliminary 2013-14 data.

[b] Includes amounts in the Special Fund for Other Than Capital Outlay.

[c] Cap for small districts is the greater of 10 percent or $126,000.

[d] As measured by average daily attendance.

reserve levels are nearly three times higher than the cap for mid-size districts.

Districts Could Respond to Caps in Several Ways

Our analysis finds that districts have three basic ways to respond to the caps: (1) ask their COE to provide an exemption, (2) shift monies to avoid the caps, or (3) spend down reserves. We describe these options below.

Districts Could Ask Their COE for an Exemption. Districts that want to maintain their existing reserves could ask their COE for an exemption when the caps take effect. Districts face some uncertainty, however, regarding the conditions under which a COE may grant exemptions. Most notably, the law requires a demonstration of extraordinary fiscal circumstances, even though many of the reasons districts maintain reserves exceeding the caps are relatively common. For example, districts that ask for exemptions because they are small and face declining enrollment could have their requests denied because many districts are similarly situated. The availability of the exemption would depend on the specific criteria developed by each COE. In addition, the exemption would be unavailable for a district that had received an exemption for the past two consecutive years.

Districts Could Shift Monies To Avoid the Caps. Districts that are unable to receive an exemption from their COE could shift monies to avoid the caps, as described below.

- ***Designate Reserves as Committed.*** Since the caps apply to the assigned and unassigned reserves, districts could avoid the caps by designating some of their reserves as committed. To make this designation, the local school board would need to identify a specific future project or use for the committed amounts. (As described earlier, the board could change this designation later.)

- ***Shift Reserves Into Special Accounts.*** Since the caps appear to apply only to the General Fund, districts could move monies into most of the 29 other accounts. In future years, districts could transfer these reserves back to their General Funds if needed to cover other expenditures.

Districts Could Spend Down Reserves. If a district neither received an exemption nor shifted monies, it would need to spend down its reserves to the levels allowed by the caps. The amount of additional spending needed to reach the cap would vary based on districts' current reserve levels. A larger district with 20,000 students, a budget of $175 million, and assigned and unassigned reserves of $16.5 million (typical amounts for districts of this size) would need to reduce its reserves to $10.5 million, a reduction of 38 percent (about $300 per student). By comparison, a smaller district with 500 students, a budget of $4.6 million, and assigned and unassigned reserves of $1.2 million would need to reduce its reserves to $368,000, a reduction of 70 percent (about $1,700 per student). Based on our discussions with district and COE officials, districts would likely take different approaches to spending down reserves. Some districts would not reduce spending until the caps took effect, whereas others would begin spending earlier in anticipation of the caps applying in the future.

RECOMMENDATIONS

Concerns With Reserve Caps, Recommend Repeal

While districts could respond to the caps in several ways, we have a number of concerns about the consequences of districts either shifting monies to avoid the cap or spending down reserves. We describe these concerns below.

Shifting Monies Could Reduce Transparency. To the extent districts begin shifting monies, we are concerned that district finances would become more complex and difficult to understand. For example, someone outside of a district might not realize the district had shifted General Fund monies into another account and was in a stronger financial position than its General Fund reserves would imply. Our interviews with district business officials, employee groups, and parent organizations revealed a general consensus that one common factor in productive relationships between a district and its community is the district's willingness to describe its financial position as completely and accurately as possible. Districts that appear to shift monies in response to the new law eventually could face a range of difficulties, such as more contentious labor negotiations and confusion among parents and other stakeholders.

Lower Reserve Levels Limit Ability To Maintain Programs in Tight Fiscal Times. For mid-size districts, the 6 percent reserve cap amounts to less than 3 weeks of payroll. Entering tight fiscal times, districts with reserves of this size would have little ability to soften a reduction in state funding. Instead, they would need to reduce spending to align with current revenues, likely by reducing staff or student services. Such districts could find maintaining academic programs especially difficult.

Lower Reserve Levels Make Unexpected Costs More Difficult To Address. Reserves that are below the capped amounts provide minimal protection against unexpected costs, particularly among smaller school districts. A district with 1,200 students, for example, typically has an annual budget of around $11 million, and therefore would have a reserve cap of $660,000 (6 percent). The district might need to draw down half or more of its reserves in a single year if its enrollment declined by 40 students, it needed to purchase two school buses, or it needed to replace a broken boiler. A more severe problem, such as a damaged roof, could require drawing down the entire reserve. A district with 150 students would be in an even more precarious position. Such a district typically has an annual budget of around $1.8 million, and therefore would have a reserve cap of $180,000. If this district were required to educate even one additional student with particularly severe disabilities—costs of which can exceed $75,000 per year—its reserves could be depleted very quickly. Districts confronting unexpected costs with low reserve levels face difficult choices, such as making sharp budget reductions or requesting emergency loans from the state.

Lower Reserve Levels Historically Associated With Fiscal Distress. To investigate the viability of operating with reserves below the capped amounts, we compared two groups of districts over several years. The first group consisted of those districts with assigned and unassigned reserves exceeding the capped levels in each of the selected years. The second group consisted of those districts with assigned and unassigned reserves below the capped levels, but with unassigned reserves above the state minimums. This second group effectively contains districts with reserve levels in the range

districts would maintain if the caps were to become operative. As shown in Figure 12, districts with these lower reserve levels historically have been about twice as likely to be flagged by their COEs for additional fiscal oversight compared with districts maintaining higher reserves. (While most districts flagged by their COEs do not ultimately require an emergency loan from the state, these districts usually need to make sharp budget reductions to restore their fiscal health.) Given the persistence of this relationship historically, we have concerns that the number of districts in fiscal distress would increase if the caps take effect.

Lower Reserve Levels Likely To Involve Additional Costs. To the extent districts begin operating with much lower reserves, we are concerned that districts could incur additional costs to borrow money:

- ***Higher Long-Term Borrowing Costs.*** Two of the three credit rating agencies already have issued warnings that the caps on district reserves could weaken credit quality and lead to lower ratings. While predicting how investors would respond to these downgrades is difficult, districts with lower ratings tend to have higher interest costs when issuing debt. Given districts reported more than $2 billion in new long-term borrowing in 2013-14, even a modest increase in interest rates would increase borrowing costs.

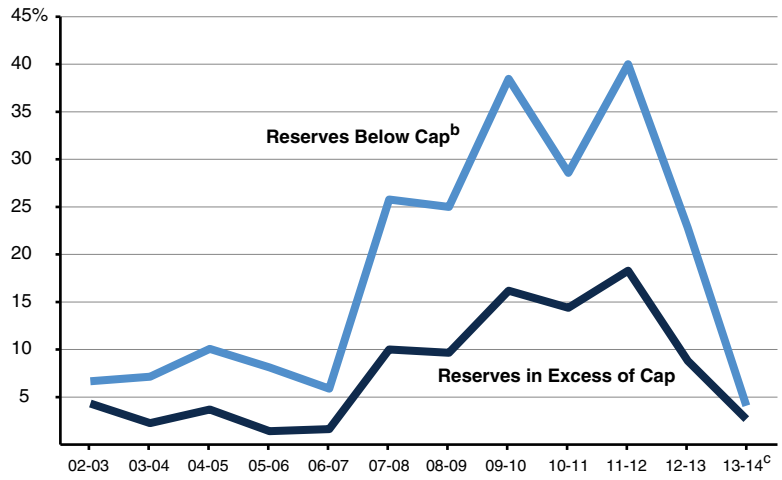
- ***More Reliance on Short-Term Borrowing.*** Districts with lower reserves have fewer options for managing cash flow and might need to engage in additional short-term borrowing to cover expenditures. Borrowing costs include up-front costs (such as preparing legal documents and paying outside advisors to arrange the financing) as well as interest costs. A district that borrows $10 million for cash flow purposes might expect to pay $40,000 or more in up-front costs plus interest. Districts that rely on reserves can avoid these costs.

Small Deposits in State School Reserve Could Have Large Effects on District Reserves. Chapter 32 requires districts to comply with the reserve caps following a deposit into the state school reserve. This deposit, however, could be small relative to the required reduction in local

Figure 12

Districts With Reserves Below Caps Much More Likely To Be in Fiscal Distress

Percent of Districts in Fiscal Distress[a]



[a] "Fiscal distress" defined as a district receiving a qualified or negative rating from its county office of education during the annual March fiscal review.

[b] Includes only districts below caps but above state minimums. (Districts with reserves below state minimums are even more likely to be in fiscal distress.)

[c] Based on preliminary data.

reserves. If the state were to deposit a few million dollars into the state school reserve, for example, the caps would become operative and would require reducing local reserves by several billion dollars statewide. Under such a scenario, districts would be in a worse financial position than they would be with no state deposit at all. Moreover, even if the amount in the state school reserve grew large enough to mitigate future funding reductions, school districts would not know how the state would allocate this funding when it was eventually withdrawn. This uncertainty creates difficulties for districts attempting to factor amounts in the state school reserve into their local budget planning.

Difficult To Set Statewide Caps Given Diverse District Circumstances. One question raised during our research was whether the state could refine the caps by increasing them or adjusting them for additional factors affecting reserve levels. We are concerned that districts are situated so differently that the state would not be able to develop caps that are reasonable in all cases. While districts can become overly cautious in developing their budgets, a simple percentage-based approach for setting new caps—even one that adjusts for differences in size—seems unlikely to account for legitimate differences in local circumstances and priorities. That the existing fiscal oversight process relies upon multiple indicators and holistic judgments by COEs is evidence that simple formulas are not well suited for assessing whether districts have adopted reasonable budgets. Recent state funding reforms designed to provide districts with more control over their spending also have recognized that districts often are better positioned that the state to align fiscal resources with local priorities.

Recommend Legislature Repeal Reserve Caps. Given our concerns, we recommend the Legislature repeal the reserve caps. While the state cannot be certain exactly how districts will respond to these caps, we are concerned that the caps are low and would involve many risks for districts attempting to comply with them. Less stability in academic programs, increased fiscal distress, and higher borrowing costs all are notable risks associated with lower levels of reserves. Districts that shift monies to avoid the caps would add unnecessary complexity and confusion to their local budgeting practices. Moreover, district reserves already are beginning to decline from current levels, which were driven in large part by a series of anomalous state and federal actions during the past recession.

Disclosure Requirement Could Improve Planning, But Recommend Refining

Encouraging Local Discussion Could Improve Planning . . . In contrast to our concerns with the caps, we believe the new annual disclosure requirements provide additional information that could help districts with fiscal planning. Given that reserves are an important part of districts' overall fiscal health, requiring district officials to provide additional information about reserves could help school boards and communities better assess the trade-offs between additional spending and saving for future priorities. Requiring districts to articulate their reasons for maintaining reserves also might reduce some local concerns that districts have not been sufficiently transparent about their reserves and the reasons for maintaining those reserves.

. . . But Requirements Overemphasize State Minimums. We are concerned, however, that the annual disclosure requirements place great emphasis on the state minimums without considering a district's individual circumstances. Given the state minimums by definition reflect floors, most districts have long maintained reserves above the minimums. In these districts, a regular statement disclosing the reasons for being above the state minimums may not be especially

useful, since districts likely could identify many longstanding reasons for these higher levels of reserves. In addition, we are concerned that the disclosure requirements exempt districts with reserves below the state minimums. Such districts are especially vulnerable to revenue volatility or unexpected expenditures and might need to make large budget reductions if their finances deteriorate further. Disclosing information about reserves seems particularly important in these instances so that communities are aware of these risks. For these districts, disclosure could be a key step in building local support for actions to restore their fiscal health.

Recommend Legislature Modify Disclosure Requirements To Focus on Locally Adopted Policies. We recommend the Legislature retain the annual disclosure requirements but refocus them on locally adopted reserve policies. Specifically, we recommend the state require each district to publicly adopt a policy explaining the amount of unassigned reserves the district believes it needs to address economic uncertainties, funding volatility, and other contingencies. (As indicated earlier, some districts already have policies regarding reserve levels.) Each year, districts would be required to explain the differences between their reserve policies, the amount of reserves they have in the current year, and the reserves they project for the upcoming year. We believe modifying the disclosure requirements in this way could improve fiscal planning by encouraging districts to engage with their local communities, assess their existing risks, and develop plans to increase or decrease reserves to address their local needs. This approach also is consistent with recent state funding reforms designed to enhance local control and encourage decision-making that reflects local priorities.

CONCLUSION

Decisions about reserve levels are a key component of the annual choices school districts make about the allocation of their resources. That district reserves vary notably across the state reflects the wide variety of circumstances that weigh upon these local decisions. While decisions to maintain or increase reserves sometimes are seen as conflicting with efforts to expand district services, our report finds that healthy reserves in many cases can help districts avoid risks and costs that otherwise would hinder districts' ability to deliver these services. Reserves allow districts to manage cash flow, mitigate funding volatility, address unexpected costs, save for large purchases, and reduce borrowing costs.

Regarding the recently adopted caps on reserves, our report finds that districts could take several actions in an effort avoid these caps, though at the cost of adding complexity and confusion to locally adopted budget practices. To the extent districts respond to the caps by spending down reserves, they likely would incur a number of additional risks and costs. Repealing the caps would allow the Legislature to avoid these risks. Furthermore, by focusing its attention on refining reserve-disclosure requirements, the Legislature could improve local planning and make district budgets more responsive to local needs.

LAO Publications

This report was prepared by Kenneth Kapphahn and reviewed by Edgar Cabral and Jennifer Kuhn. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

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BREAKING NEWS Coronavirus: California surpasses 60,000 cases amid debate over reopening

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California budget to take $54.3 billion coronavirus hit

New memo projects more losses than Great Recession



FILE – In this April 9, 2020, file photo, California Gov. Gavin Newsom listens to a reporter's question during his daily news briefing in Rancho Cordova, Calif. California's major deal for hundreds of millions of N95 respirator masks hit a delay in its federal certification process, Gov. Gavin Newsom said Wednesday, May 6, 2020, as he promised details of the contract would soon be made public. (AP Photo/Rich Pedroncelli, Pool)

By **JOHN WOOLFOLK** | jwoolfolk@bayareanewsgroup.com | Bay Area News Group
PUBLISHED: May 7, 2020 at 9:26 a.m. | UPDATED: May 7, 2020 at 9:34 a.m.

A new memo Thursday from California's finance department put the economic damage of the coronavirus pandemic in stark relief: a projected $54.3 billion hole in the state budget that's nearly three and a half times the state's Rainy Day Fund emergency reserves.

"COVID-19 has caused a national recession, a precipitous decline in income, rapidly rising health and human services caseloads and substantial COVID-19 driven costs," the May 7 fiscal update said.

Newsom, who ordered the country's first statewide stay-home order March 19 to slow the virus' spread, hinted Wednesday at the mounting economic toll of shutting all but essential businesses.

"You're going to see a budget coming out tens of billions of dollars short of where it needs to be," said Newsom in his daily news briefing, which today is expected to cover the easing of restrictions to allow some businesses to reopen. "These numbers are jaw-dropping, and it is alarming. I just hope people are preparing themselves."

The report is a stark turnaround from the beginning of the year, when California and the rest of the country were riding high on an economy that was firing on all cylinders.

"California began 2020 with a strong bill of financial health — a strong economy, historic reserves, and a structurally balanced budget," the fiscal update noted.

The state's 3.9% unemployment rate at the beginning of the year was one-third of the 12.3% at the depths of the Great Recession that followed the 2008 mortgage meltdown. The state eliminated its "wall of debt" from past budgetary borrowing, and began making supplemental payments to its underfunded employee retirement plans.

The 2020-21 budget had reflected a $5.6 billion surplus, with a record level of reserves of $21 billion,
including $18 billion projected in the state's Rainy Day Fund. Revenues through March ran $1.35 billion above January's projections, as markets outperformed the budget forecast.

But "the widespread economic interruption caused by the global pandemic is unprecedented in modern history," the report said. Unemployment has soared under the state and local coronavirus lockdowns. The state projects the 2020 unemployment rate will be a staggering 18% percent, much higher than during the Great Recession. California personal income is projected to fall by nearly 9% on an annual basis in 2020.

Those job losses and business closures will sharply reduce state revenues, the report said. Compared to the January forecast, the state's three main general fund revenue sources for basic services are projected to take a dive in the 2020-2021 fiscal year.

Personal income tax is expected to fall by 25.5%, sales tax 27.2% and corporate taxes 22.7%.

General fund revenues are expected to plummet by $41.2 billion below January projections, including 9.7 billion in 2019-20 and $32.2 billion in 2020-21.

Under Proposition 98's constitutional calculation, that will shrink required funding for K-12 schools and community colleges by $18.3 billion.

The $41.2 billion revenue drop, combined with $7.1 billion in caseload increases supporting health and human services programs and other coronavirus costs totaling some $6 billion add up to "an overall budget deficit of approximately $54.3 billion," the report said.

However, the report concludes that the projected deficit as a percent of general fund spending "is modestly smaller than the budget deficits faced by the state in 2003 and in 2009," which it attributes to "the state's prudent fiscal management and strong economic recovery since 2011."

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John Woolfolk | Reporter John Woolfolk is a reporter for the Bay Area News Group, based at The Mercury News. A native of New Orleans, he grew up near San Jose. He is a graduate of the UC Berkeley School of Journalism and has been a journalist since 1990, covering cities, counties, law enforcement, courts and other general news. He also has worked as an editor since 2013.

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CABRILLO UNIFIED SCHOOL DISTRICT

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MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: Sean McPhetridge, Ed.D., Superintendent
CATEGORY: Information
RECOMMENDATION: Update on COVID-19's Impact on CUSD Operations

BACKGROUND INFORMATION

On March 13, CUSD announced that it would be transitioning to remote learning in response to the County Health Order requiring our closure of school campuses to minimize the spread of COVID-19 and to help "flatten the curve" of COVID-19 transmission. Since that date, CUSD has worked to provide essential services of remote learning, food services for students, and technology support for families.

REPORT/PROPOSAL

This report will provide an update on what has transpired to date as a response to County Health Orders and outline next steps required of us for eventual return to district and school operations going forward. An accompanying presentation will be posted once finalized and ready to provide to Board and public.

FINANCIAL IMPACT

There is no financial impact of this report and no action required of the Governing Board. However, staff will be able to take questions from the Board and provide information on what COVID-19's impact may mean for CUSD ahead considering the prediction of a financial downturn for state and local economies and the expectation that funding for public education is expected to be negatively impacted as a result.

CABRILLO UNIFIED SCHOOL DISTRICT

Every Student, Every Day!

Update on COVID-19's Impact on CUSD Operations

Sean McPhetridge, Ed.D., Superintendent

Governing Board Meeting

May 14, 2020

Timeline of Actions Taken in March/April

March 13: Transition to remote learning announced through end of month

March 16-17: Planning time provided for teachers and administrators

March 18: Beginning of schools' transition to remote learning operations

March 20: Families/staff informed of potential for need to be out longer

March 25: Families/staff informed of need for remote learning through May 1

April 1: Families/staff informed of the need to be out for rest of school year and remote learning resources available for remote learning guidance

April 6: Families/staff provided with updates of community/district resources

April 17: Families/staff updated on guidance regarding essential services

April 23: Families/staff updated on remote learning guidance resources

Guidance for Operations During This Time

- Health Orders from County Department of Health and Dr. Morrow
- Guidance from San Mateo County Office of Education based on their joint coordination with other county health professionals and county offices
- Guidance from California Department of Education regarding resources
- Agreements with CUSD employee organizations (CSEA/CUTA)
- Work of school administrators to consult with teachers to guide their operations at school sites regarding implementation of remote learning

Essential Services During Time Off Campus

- Remote learning provided by teachers with guidance and support given to teachers by administrators and Curriculum and Instruction Department
- Technology support provided to teachers and families by administrators and Technology Department (e.g., Remote Learning Guides, et cetera)
- Additional surveys, phone calls, emails to determine technology needs
- Food provided to families needing support by Food Service Department, offered first at two sites for pick-up and then expanded to four sites
- Maintenance/cleaning of school sites by custodians/maintenance staff

Grading Considerations During This Time

- Like other districts across the state, CUSD has needed to work to establish new grading standards that account for the impacts of remote learning
- CUSD took time to have school administrators consult with their staffs to determine what practitioners considered appropriate and practical
- As a result, Administrative Regulation 1521 was created to outline the recommendations of site practitioners to account for equity concerns
- A revision to AR 5121 outlines different grading standards during the time students are required to be off campus and engaged in remote learning

Graduation and End-of-Year Planning

- Like other districts across the state, CUSD has also needed to work to make arrangements that will allow for safe end-of-year ceremonies
- Administrators at Half Moon Bay High School, Pilarcitos High School, and Cunha Intermediate School are all planning virtual ceremonies to help celebrate students who are graduating or promoting to high school
- County health officials have dissuaded families and staff from congregating in order to minimize transmission and spread of COVID-19
- These sites will be communicating the next steps they have decided on to the families of their graduating seniors or promoting eighth graders

Summer School Considerations

- Like several other districts in the county, CUSD has decided to suspend its Big Lift “Inspiring Summer” work to safeguard staff and student health, recognizing that proceeding as in years before would pose health risks and be impractical for implementation for both families and staff
- Currently administrators are planning for ways that students who would have been eligible for those services can be provided with resources and support that would not require attendance on CUSD campuses
- As had been planned, students who are English language learners or who have Individual Education Plans will be provided resources, services, and support to continue their learning remotely

Planning for Return to School in the Fall

- Districts across the county are guided by parameters for return in the fall by the San Mateo County Office of Education and County Health officials
- All county districts will be forming Return to School Committees that will guide decisions about what safety considerations must guide operations
- As of the writing of this presentation, the guidelines for composition of Return to School Committees had not been finalized, and CUSD will work to form that committee and commence planning once those are received
- Families and staff should now expect that modified student schedules and ongoing use of remote learning will be required for our return to school

What CUSD Must Do in Months Ahead

- Because of the impacts of COVID-19 health orders across the state, there will be a state budget deficit that will undoubtedly impact district budgets
- CUSD is planning to reconvene its Financial Advisory Committee in the fall to review the district's budget and review the need for budget cuts to address the shortfalls we can expect to see with reduced funding ahead
- CUSD is also planning on tasking our Curriculum Advisory Committee with review of online learning platforms, instructional planning, and policies to help guide unified approaches to remote learning in the years ahead
- CUSD is also planning on review of existing budget cuts to address needs

Questions?

Thank you!

CABRILLO UNIFIED SCHOOL DISTRICT

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MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: Sean McPhetridge, Ed.D., Superintendent
CATEGORY: Discussion
RECOMMENDATION: Administrative Regulation 5121: Grading/Evaluation of Student Achievement

BACKGROUND INFORMATION

Because of COVID-19 school closures and the subsequent implementation of distance learning, continued use of existing Administrative Regulation 5121 on Grading/Evaluation of Student Achievement is not practical for many districts. Because CUSD district staff acknowledged a need to revise our grading standards in order to account for the changes in our instructional delivery and evaluation of student achievement during this time, tonight a revised AR 5121 is presented as a means to codify revisions brainstormed by school administrators and classroom teachers to outline new context-specific grading standards during this time. Please know that revisions reflect deliberate consultation with school site practitioners, and the revisions provided to AR 5121 reflect the goal of CUSD and its schools to make changes in practice that are based on a consideration of changed teaching and learning conditions as well as a need for an equity focus when making district decisions.

FINANCIAL IMPACT

There is no financial impact to the General Fund.

Cabrillo USD

Administrative Regulation

Grades/Evaluation Of Student Achievement

AR 5121
Students

CUSD Grading Standards During the Time of San Mateo County's Emergency Shelter-at-Home Order

Pursuant to existing CUSD Board Policy 5121, the Superintendent or her/his Designee is responsible for establishing grading standards that teachers shall implement. Because of a County Health Order requiring CUSD to conduct remote learning in lieu of learning on campus, and after deliberate consultation between school administrators and their teacher representatives, it is clear grading standards should change for the period of time CUSD operates under remote learning. Recognizing CUSD families have varying access to technology and internet access in the communities CUSD serves, and acknowledging how an equity focus requires revised grading standards during this time, this revision to Administrative Regulation 5121 now establishes grading standards to be implemented during a time of remote learning in Spring of 2019-2020.

Administrators of CUSD secondary schools (those schools serving grades 6-12) took time to solicit input from teacher representatives (e.g., department chairs and other teacher leaders) to discuss and brainstorm alternative grading standards to suit the changed academic conditions brought on by remote learning as deemed appropriate by those school site practitioners within unique contexts of their school communities. Cunha Intermediate School staff determined a Pass or No Pass grading system was preferable to assigning letter grades for the second semester of the CUSD 2019-2020 school year, and Pilarcitos High School staff determined a Credit or No Credit grading system was preferable for their school site. Administrators and teacher representatives of Half Moon Bay High School decided it would be best for their context in their school community to assign letter grades (i.e., A or B or C or D grades) while not assigning F grades during this time. Acknowledging context-specific perspectives, secondary teachers of aforementioned school sites shall implement these site-specific grading standards for this academic term based on their own determination of student mastery of California state standards as deemed appropriate by teachers using their own professional expertise and practitioner judgment.

Meanwhile, recognizing that elementary school students also may be difficult to grade using established grading standards as outlined in AR 5121 (i.e., assigning feedback based on student demonstration of exceeding, meeting, approaching, or not meeting state standards), CUSD elementary schools (serving grades TK-5) will work at providing narrative feedback to assist families, students, and teachers in their understanding of areas of strength and areas of growth for determination of student progression to the subsequent 2020-2021 academic school year. CUSD elementary school teachers may also continue to utilize the CUSD

standards-based report card as outlined in AR 5121 for Trimester 3 of the 2019-2020 CUSD school year. Elementary teachers may implement standards-based reporting using a revised standards-based scale (IP-In Progress, NC-Not Covered in the 3rd Trimester, NAA-Not Able to Assess during Remote Learning), but teachers shall also use narrative reporting for Trimester 3 of the CUSD 2019-2020 school year based on professional judgment of student demonstration of meeting standards.

Please note this AR 5121 revision is established during the circumstances of remote learning while upholding authority of CUSD administrators and teachers respectively to establish grading standards and assign grades per BP 5121 going forward. Future expectations about CUSD grading standards and teachers' responsibilities to implement said standards shall revert to AR 5121 expectations outlined below and the guidelines provided in BP 5121 once students can return back to school unless it is to be deemed necessary to revisit the district's grading standards again because of other emergency health safeguards.

Grades for Achievement

Written report cards displaying students' grades in each subject or course shall be distributed to parents/guardians at the end of each grading period. Parents/guardians shall be offered an opportunity to meet with their child's teacher(s) to discuss the grades and strategies to improve their child's performance.

(cf. 6020 - Parent Involvement)

Whenever it becomes evident to a teacher that a student is in danger of failing a course, the teacher shall arrange a conference with the student's parent/guardian or send the parent/guardian a written report. (Education Code 49067)

(cf. 5123 - Promotion/Acceleration/Retention)

For each student in grades 9-12, the Superintendent or designee shall maintain a transcript recording the courses taken, the term that each course was taken, credits earned, final grades, and date of graduation.

(cf. 5125 - Student Records)
(cf. 6146.1 - High School Graduation Requirements)

For grades K-5, students' level of progress shall be reported as follows:

1. Below the grade level standard
2. Approaching the grade level standards
3. At the grade level standard
4. Above the grade level standard

For grades 6-12, grades for achievement shall be reported for each grading period as follows:

A Outstanding Achievement 4.0 grade points

B Above Average Achievement 3.0 grade points
C Average Achievement 2.0 grade points
D Below Average Achievement 1.0 grade points
F Little or No Achievement 0 grade points
I Incomplete 0 grade points

An Incomplete shall be given only when a student's work is not finished because of illness or other excused absence. If not made up within six weeks, the Incomplete shall become an F.

Because of the more rigorous nature of Advanced Placement, International Baccalaureate, honors, and concurrent postsecondary courses, students receiving a grade of A, B, or C in those courses shall receive extra grade weighting as follows:

A (90-100%) Outstanding Achievement 5.0 grade points
B (80-89%) Above Average Achievement 4.0 grade points
C (70-79%) Average Achievement 3.0 grade points

(cf. 6141.5 - Advanced Placement)
(cf. 6172 - Gifted and Talented Student Program)
(cf. 6172.1 - Concurrent Enrollment in College Classes)

Grades for Physical Education

No grade of a student participating in a physical education class may be adversely affected due to the fact that the student, because of circumstances beyond his/her control, does not wear standardized physical education apparel. (Education Code 49066)

(cf. 6142.7 - Physical Education)

Student performance in high school physical education courses shall be based upon evaluation of the student's individual progress, attainment of goals in each instructional area, tests designed to determine skill and knowledge, and physical performance tests. (5 CCR 10060)

High school students using interscholastic athletic participation to fulfill physical education requirements, as authorized by Education Code 51242, may be graded on this participation provided that a teacher credentialed to teach physical education supervises this participation and assigns the grade.

(cf. 6145.2 - Athletic Competition)

Grades for College Courses

When the district has approved a student to receive district credit for coursework completed at a community college or four-year college, he/she shall receive the same letter grade as is granted by the college.

Grades for Citizenship, Study Skills, and Effort

Grades for citizenship, study skills, and effort shall be reported as follows:

O Outstanding
S Satisfactory
N Needs Improvement

Pass/Fail Grading

The Superintendent or designee may identify courses or programs for which students may, with parent/guardian permission, elect to earn a Pass or Fail grade instead of a letter grade.

Students who receive a Pass grade shall acquire the appropriate semester units of credit for the course. The grade shall not be counted in determining class rank, honors list, or membership in the California Scholarship Federation. Students who receive a Fail grade shall not receive credit for taking the course.

Peer Grading

At their discretion, teachers may use peer grading of student tests, papers, and assignments as appropriate to reinforce lessons.

Repeating Classes

With the approval of the principal or designee, a student may repeat a course in order to raise his/her grade. Both grades received shall be entered on the student's transcript, but the student shall receive credit only once for taking the course. The highest grade received shall be used in determining the student's overall grade point average (GPA).

Withdrawal from Classes

A student who drops a course during the first six weeks of the grading period may do so without any entry on his/her permanent record card. A student who drops a course after the first six weeks of the grading period shall receive an F grade on his/her permanent record, unless otherwise decided by the principal or designee because of extenuating circumstances.

Effect of Absences on Grades

Teachers who may choose to withhold class credit because of excessive unexcused absences shall so inform students and parents/guardians at the beginning of the school year or semester. When a student reaches the number of unexcused absences defined as excessive in Board policy, the student and parent/guardian shall again be notified of the district's policy regarding excessive unexcused absences.

(cf. 5113 - Absences and Excuses)

The student and parent/guardian shall have a reasonable opportunity to explain the absences. (Education Code 49067)

If a student receives a failing grade because of excessive unexcused absences, the student's record shall specify that the grade was assigned because of excessive unexcused absences. (Education Code 49067)

Grades for a student in foster care shall not be lowered if the student is absent from school due to either of the following circumstances: (Education Code 49069.5)

(cf. 6173.1 - Education for Foster Youth)

Grade Point Average

The Superintendent or designee shall calculate each student's GPA using the grade points assigned to each letter grade in accordance with the scale described in the section "Grades for Achievement" above. The grade points for all applicable coursework shall be totaled and divided by the number of courses completed.

(cf. 5126 - Awards for Achievement)
(cf. 6145 - Extracurricular and Cocurricular Activities)

When plus and minus designations are added to letter grades, they shall not be considered in determining GPA.

Each academic year, the Superintendent or designee shall provide to the Student Aid Commission the GPA of all district students in grade 12, except for students who have opted out or are permitted by the rules of the Student Aid Commission to provide test scores in lieu of the GPA. (Education Code 69432.9)

Regulation CABRILLO UNIFIED SCHOOL DISTRICT
approved: December 11, 2008 Half Moon Bay, California
revised: October 8, 2009
revised: April 7, 2015
revised: TBD

CABRILLO UNIFIED SCHOOL DISTRICT

498 Kelly Avenue, Half Moon Bay, California 94019 • 650 712-7100 • Fax 650 726-0279 • www.cabrillo.k12.ca.us

SUPERINTENDENT
Sean McPhetridge, Ed.D.

GOVERNING BOARD
Mary Beth Alexander
Lizet Cortes
Kimberly Hines
Sophia Layne
Freya McCamant

MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: Holly Wade, Ph.D., Assistant Superintendent, Educational Support Services
CATEGORY: Consent
RECOMMENDATION: Approve Algebra 1 Waiver Submission to California Department of Education

BACKGROUND INFORMATION

Education Code Section 56101: (a) Any district, special education local plan area, county office, or public education agency, as defined in Section 56500, may request the board to grant a waiver of any provision of this code or regulations adopted pursuant to that provision if the waiver is necessary or beneficial to the content and implementation of the pupil's individualized education program and does not abrogate any right provided individuals with exceptional needs and their parents or guardians under the Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), or to the compliance of a district, special education local plan area, or county office with the Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), and federal regulations relating thereto.

REPORT/PROPOSAL

The District has reviewed the criteria for eligibility to waive the requirements of Algebra 1 to earn a high school diploma and has identified two students with disabilities at Half Moon Bay High School that, with your approval, will submit waiver applications to the CDE Board of Education for approval. The IEP team, HMB Staff/Administration, and District staff agree that a waiver submission is appropriate at this time and will allow the students to graduate on time with their class in 2020.

FINANCIAL IMPACT

There is no financial impact to the General Fund.

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MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: Holly Wade Ph.D., Assistant Superintendent, Educational Support Services
Jason Owens, Director of Personnel and Pupil Services
CATEGORY: Consent
RECOMMENDATION: Approve Certificated Personnel Report

BACKGROUND INFORMATION

The following personnel items are submitted for your ratification/approval.

1. RETIREMENT

Mary Coyle, Mathematics/Art Teacher, Cunha Intermediate School, effective June 5, 2020. Ms. Coyle was hired by the district on September 1, 1988.

Teresa Kammerer. Elementary Immersion Teacher, Hatch Elementary School, effective June 5, 2020. Ms. Kammerer was hired by the district on September 3, 1987.

Laura McMahon, Elementary Teacher, El Granada Elementary School, effective June 5, 2020. Ms. McMahon was hired by the district on August 25, 1999.

Cheri Robison, English Teacher, Cunha Intermediate School, effective June 5, 2020. Ms. Robison was hired by the district on August 27, 2002.

2. RESIGNATION

Nohemi Couzin, Mathematics Teacher, Cunha Intermediate School, effective June 5, 2020.

Sara DeSantis, Mathematics Teacher, Half Moon Bay High School, effective June 5, 2020.

Alexsia Lozano, Elementary Immersion Teacher, Hatch Elementary School, effective June 5, 2020.

Esther Mas Altimis, Elementary Immersion Teacher, Hatch Elementary School, effective June 5, 2020.

Leah Murray, Elementary Teacher, Farallone View Elementary School, effective June 5, 2020.

Miren Recalde Baraibar, Elementary Immersion Teacher, Hatch Elementary School, effective June 5, 2020.

Nazareno Rossi, Physical Education Teacher, Cunha Intermediate School, effective June 5, 2020.

Holly Wade, Assistant Superintendent, Educational Support Services, District Office, effective June 30, 2020.

FINANCIAL IMPACT

Financial impact is included in the budget.

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MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: Holly Wade Ph.D., Assistant Superintendent, Educational Support Services
Jason Owens, Director of Personnel and Pupil Services
CATEGORY: Consent
RECOMMENDATION: Approve Classified Personnel Report

BACKGROUND INFORMATION

The following personnel items are submitted for your ratification/approval.

1. RETIREMENT

Donna McCurdy, Paraprofessional Special Education II, Farallone View Elementary School, effective June 4, 2020. Ms. McCurdy was hired by the district on September 11, 2000.

FINANCIAL IMPACT

Financial impact is included in the budget.

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GOVERNING BOARD
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Sophia Layne
Freya McCamant

MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: J Jesús Contreras, Chief Business Officer
CATEGORY: Consent
RECOMMENDATION: Approve Donations to Cabrillo Unified School District

BACKGROUND INFORMATION

The Governing Board routinely reviews the monthly donation reports.

REPORT/PROPOSAL

Pursuant to the Governing Board Policy 3290, the Governing Board is to accept donations on behalf of the district or any school in the district.

FINANCIAL IMPACT

There is no financial impact to the General Fund.

May 14, 2020 Board Meeting
Summary Site Donations

Site	Program	Donor	Amount	Site Total	Total Donations
HMBHS	Coastside Running Club Scholarship	Omar Droubi	$50		
HMBHS	Bradley Royer Math & Science Scholarship	Michael C. Royer Susan L. Royer	$10,000		
HMBHS	HMB Pirates Scholarship	Half Moon Bay Pirates	$1,000		
HMBHS	CoastPride Scholarship	CoastPride	$2,000		
HMBHS	Milagro Scholarship	Vanessa Stubs	$40		
HMBHS	HMB Latino Council Scholarship in Memory of Yanira Serrano	Lorenzo Garcia	$2,500	$15, 590	
					$15, 590

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MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: Sean McPhetridge, Ed.D., Superintendent
CATEGORY: Consent
RECOMMENDATION: Approve Minutes of the April 16, 2020 Regular Governing Board Meeting

BACKGROUND INFORMATION

The Governing Board routinely reviews and approves minutes from all regular meetings and special sessions.

REPORT/PROPOSAL

The unadopted minutes of the April 16, 2020 Regular Governing Board meeting are included in this Board packet for consideration.

FINANCIAL IMPACT

There is no financial impact to the General Fund.

Governing Board Meeting Agenda

(Unadopted) Meeting Minutes

CABRILLO UNIFIED SCHOOL DISTRICT

Thursday, April 16, 2020

Closed Session 5:30 PM | Via Zoom: https://zoom.us/j/932535317 (For public comments on Closed Session items only)

Public Session 7:00 PM | Via Zoom: https://zoom.us/j/355955578

Board Members Present:	Ms. Kimberly Hines, President Ms. Lizet Cortes, Vice President Ms. Mary Beth Alexander, Clerk to the Governing Board Ms. Freya McCamant, Member Ms. Sophia Layne, Member
Administrators Present:	Dr. Sean McPhetridge, Ed.D., Superintendent Dr. Leticia Bhatia, Ed.D., Assistant Superintendent Dr. Holly Wade, Ph.D., Assistant Superintendent Mr. Jesus Contreras, Chief Business Officer
Student Board Representative Present:	Miss Lauren DuBose, Student Board Representative

1. CALL TO ORDER

2. ROLL CALL / QUORUM

___ Ms. Kimberly Hines, President
___ Ms. Lizet Cortes, Vice President
___ Ms. Mary Beth Alexander, Clerk to the Governing Board
___ Ms. Freya McCamant, Member
___ Ms. Sophia Layne, Member

3. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

There were no public comments prior to Closed Session.

4. RECESS TO CLOSED SESSION – 5:30 PM

5. RECONVENE OPEN SESSION – 7:01 PM

The Governing Board did not take any action in Closed Session.

6. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by President Kimberly Hines.

7. APPROVAL OF AGENDA

President requested an amendment to the agenda by moving action items 13.a through 13.g to the end of the action agenda.

Motion to approve the agenda as amended by Member Freya McCamant and seconded by Member Sophia Layne.

(M-35) Passed 5-0 with Student Representative voting aye

8. SPECIAL RECOGNITIONS

None

9. COMMUNICATIONS

a. Public Comments

None.

b. Employee Organizations Report

i. CUTA Representative

None.

ii. CSEA Representative

None.

c. Board Member Reports

Member Freya McCamant thanked teachers, staff, and administrators for all the work they are doing during this time of remote learning. Ms. McCamant thanked food services staff for providing meals to students in need. Ms. McCamant also shared she hopes to start the Environmental Committee in the fall when we are back together.

Member Mary Beth Alexander said she agreed with Ms. McCamant's comments and said she thinks is a great time to be looking at silver linings and how people are pulling together. Ms. Alexander also said that it is great to see how teachers and students use technology in new and ways.

Member Sophia Layne said she is impressed by the collaboration and the leaders that have come together in our community. Ms. Layne also said she appreciates the love and support from teachers, staff, families to students. Ms. Layne thanked everybody that makes a difference every day.

Member Kimberly Hines said that this is a difficult time and it’s important to be gentle with one another. President Hines said she knows our teachers are working hard and that professional development they received didn’t prepare them for the last minute remote learning required. President Hines shared she is looking forward to text adoption and that she was delighted to see many online components.

Member Lizet Cortes said she echoed what other members shared. Ms. Cortes thanked everybody who is trying to figure things out despite the challenges.

d. Student Board Member Report

Student Board Member Lauren DuBose provided the Board and the public an update on Cunha Intermediate, Half Moon Bay High School, and La Costa Adult School’s events and activities.

e. Superintendent Report

Superintendent Sean McPhetridge thanked families and community members for supporting each other during this time and for understanding that school closures require a lot of work behind the scenes with the collaboration of local governing officials, county governing officials, state governing officials, and the respective County Offices of Education, County Health Doctors, and the County Health Departments from

numerous counties in the Bay Area. Dr. McPhetridge said the district is working with the most up-to-date information available because of this active coordination with other agencies.

Dr. McPhetridge asked for a great shout out to our teachers for their work on remote learning. Dr. McPhetridge thanked CUTA representatives (Heidi Mills, Ramon Macias, and Sean Riordan) for their astounding partnership as we entered remote learning. Dr. McPhetridge thanked CSEA President Stig Lynn for his great collaboration and understanding also during this time. Dr. McPhetridge gave another shout out to Food Services and Technology staff for helping also with essential work and services during this time.

INFORMATIONAL REPORTS

a. None

10. DISCUSSION ITEMS

a. None

11. CONSENT ITEMS

a. Approval of Intent to Submit a Declaration of Need for Fully Qualified Educators for 2020-2021
b. Acceptance of Donations to Cabrillo Unified School District
c. Approval of Center for Sustainable Energy Master Service Agreement
d. Approval of Quarterly Report on Williams Uniform Complaints
e. Approval and Adoption of Minutes of March 12, 2020 Regular Governing Board Meeting

Motion to approve consent items was made by Member Mary Beth Alexander and seconded by Member Freya McCamant.

(M-36) Passed 5-0

12. ACTION ITEMS

Items 13.a through 13.g moved to the end of Action Agenda.

h. Approval of Job Description for Director of Educational Support Services

Motion to approve Job Description for Director of Educational Support Services made by Member Mary Beth Alexander and seconded by Member Freya McCamant.

(M-37) Passed 5-0

i. Acceptance of Comcast Business VoiceEdge Proposal

Motion to accept Comcast Business VoiceEdge Proposal made by Member Mary Beth Alexander and seconded by Member Sophia Layne.

(M-38) Passed 5-0

j. Acceptance of Ricoh Copiers Lease Proposal

Motion to accept Ricoh Copiers Lease Proposal made by Member Sophia Layne and seconded by Member Mary Beth Alexander.

(M-39) Passed 5-0

k. Acceptance of Enrollment Projection Consultants Additional Services Proposal

Motion to accept Enrollment Projection Consultants Additional Services Proposal made by Member Freya McCamant and seconded by Member Sophia Layne.

(M-40) Passed 5-0

l. Acceptance of Skyline Engineering Roof Condition Survey Proposal

Motion to accept Skyline Engineering Roof Condition Survey Proposal made by Member Freya McCamant and seconded by Member Freya McCamant.

(M-41) Passed 5-0

m. Adoption of Resolution No. 10-20 Establishing Tax Rate and Resolution No. 11-20 Authorizing the Issuance and Sale of the Bonds

Ms. Makito Sato, Principal, Isom Advisors, and Ms. Meredith B. Johnson, Attorney at Law, Dannis Woliver Kelley, presented to the Board the Cabrillo Unified School District General Obligation Bond Program.

Motion to adopt Resolution No. 10-20 Establishing Tax Rate made by Member Sophia Layne and seconded by Member Lizet Cortes.

(M-42) Passed 5-0

ROLLCALL
Ms. Kimberly Hines, President - aye
Ms. Lizet Cortes, Vice President - aye
Ms. Mary Beth Alexander, Clerk to the Governing Board - aye
Ms. Freya McCamant, Member - aye
Ms. Sophia Layne, Member - aye

Motion to adopt Resolution No. 11-20 Authorizing the Issuance and Sale of the Bonds made by Member Sophia Layne and seconded by Member Freya McCamant.

(M-43) Passed 5-0

ROLLCALL
Ms. Kimberly Hines, President - aye
Ms. Lizet Cortes, Vice President - aye
Ms. Mary Beth Alexander, Clerk to the Governing Board - aye
Ms. Freya McCamant, Member - aye
Ms. Sophia Layne, Member - aye

n. Approval of Amendment to the March 2017 BGCC Memorandum of Understanding and the BGCC-CUSD Compact to Preserve Cunha Intermediate School After-School Sports

Ms. Betsy del Ferro, Board Member, Boy and Girls Club of the Coastside, submitted a Public Comment supporting the approval of the Cunha Athletic agreement between Cabrillo Unified School District and Boy and Girls Club of the Coastside.

Mr. Kevin Kelly, Board Member, Boy and Girls Club of the Coastside, submitted a Public Comment supporting the approval of the Cunha Athletic agreement between Cabrillo Unified School District and Boy and Girls Club of the Coastside.

Ms. Jill Jacobson, Executive Director, Boy and Girls Club of the Coastside, submitted a Public Comment supporting the approval of the agreement and MOU between Cabrillo Unified School District and Boy and Girls Club of the Coastside.

Motion to approve Amendment to the March 2017 BGCC Memorandum of Understanding and the BGCC-CUSD Compact to Preserve Cunha Intermediate School After-School Sports made by Member Lizet Cortes and seconded by Member Mary Beth Alexander.

(M-44) Passed 5-0

o. Adoption of Resolution No. 12-20 Designating a Certain Public Works as an Essential Governmental Function

Motion to adopt Resolution No. 12-20 Designating a Certain Public Works as an Essential Governmental Function made by Member Sophia Layne and seconded by Member Freya McCamant.

(M-45) Passed 5-0

ROLLCALL
Ms. Kimberly Hines, President - aye
Ms. Lizet Cortes, Vice President - aye
Ms. Mary Beth Alexander, Clerk to the Governing Board - aye
Ms. Freya McCamant, Member - aye
Ms. Sophia Layne, Member - aye

a. Adoption of Proclamation Endorsing April as National Autism Awareness Month

Motion to adopt Proclamation Endorsing April as National Autism Awareness Month made by Member Lizet Cortes and seconded by Member Freya McCamant.

(M-46) Passed 5-0

ROLLCALL
Ms. Kimberly Hines, President - aye
Ms. Lizet Cortes, Vice President - aye
Ms. Mary Beth Alexander, Clerk to the Governing Board - aye
Ms. Freya McCamant, Member - aye
Ms. Sophia Layne, Member - aye

b. Adoption of Social Studies Curriculum for Cunha

Motion to approve Adoption of Social Studies Curriculum for Cunha made by Member Mary Beth Alexander and seconded by Member Sophia Layne.

(M-47) Passed 5-0

c. Approval of Agricultural Science Curriculum for Half Moon Bay High School

Motion to approve Agricultural Science Curriculum for Half Moon Bay High School made by Member Freya McCamant and seconded by Member Sophia Layne.

(M-48) Passed 5-0

d. Approval of Biology Curriculum for Half Moon Bay High School

Motion to approve Biology Curriculum for Half Moon Bay High School made by Member Lizet Cortes and seconded by Member Mary Beth Alexander.

(M-49) Passed 5-0

e. Approval of Spanish for Spanish Speakers 3 for Half Moon Bay High School

Motion to approve Spanish for Spanish Speakers 3 for Half Moon Bay High School made by Member Mary Beth Alexander and seconded by Member Sophia Layne.

(M-50) Passed 5-0

f. Adoption of Resolution No. 08-20 Declaring Certificated and Classified Employee Appreciation Week

Motion to adopt Resolution No. 08-20 Declaring Certificated and Classified Employee Appreciation Week made by Member Lizet Cortes and seconded by Member Freya McCamant.

(M-51) Passed 5-0

ROLLCALL
Ms. Kimberly Hines, President - aye
Ms. Lizet Cortes, Vice President - aye
Ms. Mary Beth Alexander, Clerk to the Governing Board - aye
Ms. Freya McCamant, Member - aye
Ms. Sophia Layne, Member - aye

g. Adoption of Resolution No. 09-20 Declaring Substitute CBEST Waiver

Motion to adopt Resolution No. 09-20 Declaring Substitute CBEST Waiver made by Member Sophia Layne and seconded by Member Mary Beth Alexander.

(M-52) Passed 5-0

ROLLCALL
Ms. Kimberly Hines, President - aye
Ms. Lizet Cortes, Vice President - aye
Ms. Mary Beth Alexander, Clerk to the Governing Board - aye
Ms. Freya McCamant, Member - aye
Ms. Sophia Layne, Member - aye

17. ADJOURNMENT OF THE MEETING

Motion to adjourn made by Member Freya McCamant and seconded by Member Mary Beth Alexander.

(M-53) Passed 5-0

Meeting was adjourned at 9:28 PM

Minutes prepared by Rosibel Acosta, Administrative Assistant to the Superintendent

Minutes presented by Sean McPhetridge, Ed.D., Secretary to the Governing Board

Certified by:

_____ _____
Mary Beth Alexander Date
Clerk to the Governing Board

CABRILLO UNIFIED SCHOOL DISTRICT

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Freya McCamant

MEMORANDUM

MEETING DATE: March 12, 2020
TO: Members of the Governing Board
FROM: Sean McPhetridge, Ed.D., Superintendent
CATEGORY: Consent
RECOMMENDATION: Approve COVID-19 Special Policy Update and Adopt the Proposed Revisions as Recommended by the California School Boards Association

BACKGROUND INFORMATION

During the COVID-19 school closures and the implementation of distance learning, policy that reflects the needs of this pandemic is being bought forward for approval. CSBA created two new policies, BP 4113.5/4213.5/4313.5 - Working Remotely and BP 6157 - Distance Learning, both of which are designed to be used during the COVID-19 closures and beyond in order to provide flexibility in educating students and structuring work schedules for district staff.

In addition, CSBA reviewed the following related policies and determined they are applicable to emergency situations without further revision; however, districts were advice to review their adopted local policies to make sure they are up to date:

- BP 0440 - District Technology Plan - Up to date
- BP 3515.4 - Recovery for Property Loss or Damage - Provided here for revision approval
- BP 4040 - Employee Use of Technology - Up to date
- BP 6161.11 - Supplementary Instructional Materials - Up to date
- BP 6163.4 - Student Use of Technology - Up to date

FINANCIAL IMPACT

There is no financial impact to the General Fund.

Cabrillo USD

Board Policy

Working Remotely

BP 4113.5
4213.5
4313.5
All Personnel

The Governing Board recognizes that working remotely at home or at another alternative location may be necessary at times when widespread illness, natural disaster, or other emergency condition makes the school or worksite unsafe or otherwise interrupts the district's ability to effectively conduct operations at the school or worksite. A full-time, part-time, or short-term remote work arrangement may also be granted by the Superintendent or designee to an individual employee, upon request, provided that the position is suitable for remote work, the employee has consistently demonstrated the ability to work independently and meet performance expectations, and the work arrangement does not hinder district operations.

(cf. 3516 - Emergencies and Disaster Preparedness Plan)
(cf. 3516.5 - Emergency Schedules)
(cf. 4030 - Nondiscrimination in Employment)
(cf. 4032 - Reasonable Accommodation)
(cf. 4113 - Assignment)
(cf. 4157/4257/4357 - Employee Safety)
(cf. 6157 - Distance Learning)

The opportunity to work remotely shall be entirely at the district's discretion, and no grievance or appeal right may arise from district denial of any employee request for remote work.

Employees approved for remote work shall comply with all district policies, administrative regulations, work schedules, and job assignments. Except when specifically agreed, approval of remote work shall not change the compensation, benefits, or other terms and conditions of employment of an employee.

(cf. 4141/4241 - Collective Bargaining Agreement)
(cf. 4151/4251/4351 - Employee Compensation)
(cf. 4154/4254/4354 - Health and Welfare Benefits)

Unless otherwise approved in advance by the Superintendent or designee, employees working remotely shall do so within regular work hours established for the position. Employees are entitled and expected to take appropriate, uninterrupted meal and rest breaks, and shall keep accurate records of the hours they work. Employees shall notify their supervisor when unable to perform work assignments due to illness, equipment failure, or other unforeseen circumstances.

(cf. 4161.1/4361.1 - Personal Illness/Injury Leave)
(cf. 4261.1 - Personal Illness/Injury Leave)

Employees working remotely are expected to conduct their work in a location that is safe and free of obstructions, hazards, and distractions. Such employees shall report to their supervisor any serious injury or illness occurring in the home workspace or in connection with their employment as soon as practically possible in accordance with Board policy.

(cf. 4157.1/4257.1/4357.1 - Work-Related Injuries)
(cf. 4157.2/4257.2/4357.2 - Ergonomics)

The district shall provide to employees who work remotely all supplies, materials, apparatus, and equipment reasonably necessary to perform their jobs, including, as necessary, a technology device and Internet access. Employees shall use caution in accessing the Internet from public locations and in accessing information from networks outside of the district in order to safeguard confidential information. Employees shall be responsible for maintaining and protecting equipment on loan from the district and shall adhere to the district's Acceptable Use Agreement. The employee's personally owned equipment may only be used for district business when approved by the Superintendent or designee.

(cf. 4040 - Employee Use of Technology)
(cf. 4156.3/4256.3/4356.3 - Employee Property Reimbursement)

Work done at a remote work location is considered official public business. District records and communications shall be retained and safeguarded against damage or loss, and shall be kept confidential or made accessible to the public in accordance with law.

(cf. 1340 - Access to District Records)
(cf. 3580 - District Records)
(cf. 4119.21/4219.21/4319.21 - Professional Standards)
(cf. 5125 - Student Records)

Any employee working remotely shall be available during work hours to the employee's supervisor and other staff, students, parents/guardians, and members of the public, as appropriate, via email, phone, or other means. Lack of responsiveness on the part of the employee may result in discipline and/or termination of remote work responsibilities. Employees shall be required to attend virtual or in-person meetings when directed by their supervisor.

(cf. 4118 - Dismissal/Suspension/Disciplinary Action)
(cf. 4218 - Dismissal/Suspension/Disciplinary Action)

Employee productivity shall be evaluated on the basis of time spent on tasks and projects, task completion, and quality of job performance in the same manner as all employees in the same position at the assigned school or office.

(cf. 4115 - Evaluation/Supervision)
(cf. 4215 - Evaluation/Supervision)
(cf. 4315 - Evaluation/Supervision)

Remote work arrangements may be discontinued at any time at the discretion of the Superintendent or designee.

Legal Reference:

GOVERNMENT CODE
6250-6270 California Public Records Act
12900-12996 Fair Employment and Housing Act
LABOR CODE
226.7 Mandated meal, rest, or recovery periods
6400 Safe and healthful employment and place of employment
6401 Unsafe workplace
UNITED STATES CODE, TITLE 42
12101-12213 Americans with Disabilities Act

Management Resources:

WEB SITES
California Department of Industrial Relations: http://www.dir.ca.gov

Policy CABRILLO UNIFIED SCHOOL DISTRICT
adopted: TBD Half Moon Bay, California

Cabrillo USD

Board Policy

Distance Learning

BP 6157
Instruction

The Governing Board recognizes that distance learning can be a viable alternative instructional strategy that supports student achievement of academic goals. Distance learning opportunities may be offered to students participating in independent study, credit recovery courses, enrichment courses, or other courses identified by the Superintendent or designee, or in the event that a school site is physically closed due to widespread illness, natural disaster, or other emergency.

(cf. 3516 - Emergencies and Disaster Preparedness Plan)
(cf. 3516.5 - Emergency Schedules)
(cf. 4113.5/4213.5/4313.5 - Working Remotely)
(cf. 6158 - Independent Study)

The district may offer distance learning through a variety of delivery methods as appropriate for the grade level and subject matter. Distance learning opportunities may include video, audio, and/or written instruction in which the primary mode of communication between the student and teacher is online interaction, instructional television, live or prerecorded video, telecourses, and other instruction that relies on computer or communications technology. They may also include the use of print materials with written or oral feedback.

The Superintendent or designee shall review and select distance learning courses, which may include those taught by district staff or others, that are of high academic quality and are aligned with district standards and curricula. As appropriate, courses may be self-directed to allow students to complete assignments at their own pace and/or may involve real-time interaction among the teacher and students.

(cf. 6141 - Curriculum Development and Evaluation)
(cf. 6143 - Courses of Study)

The Superintendent or designee shall, in collaboration with teachers, plan for schoolwide or long-term distance learning in the event of a school closure. In developing the plan, the Superintendent or designee shall analyze the course sequence, prioritize content and standards to be completed, and recommend the grading criteria. In such circumstances, students' social-emotional wellness shall be taken into account, and schedules and learning experiences shall be designed to build continuity, routine, and regular connections with students.

(cf. 5141.5 - Mental Health)

As needed, the Superintendent or designee shall provide teachers with training and ongoing support, including technological support and guidance, to effectively implement distance learning. The district shall also provide opportunities for teachers to communicate and collaborate with each other to exchange information on effective practices.

(cf. 4131 - Staff Development)

Staff shall comply with all copyright regulations in developing materials to be used in distance education courses.

(cf. 6162.6 - Use of Copyrighted Materials)

The district shall take steps to ensure that distance learning opportunities are available to all students, including economically disadvantaged students, students with disabilities, and English learners. Teachers may use multiple methods of providing instruction to meet student needs. All online programming and Internet content shall meet accessibility standards for students with disabilities, including compatibility with commonly used assistive technologies.

(cf. 0410 - Nondiscrimination in District Programs and Activities)
(cf. 0415 - Equity)
(cf. 6159 - Individualized Education Program)
(cf. 6174 - Education for English Learners)

The Superintendent or designee shall assess students' access to technological devices and the Internet and, consistent with the district's budget and technology plan, may loan devices to students to use at home and/or assist families in identifying free service providers. Students are expected to use district technology responsibly in accordance with the district's Acceptable Use Agreement. To the extent possible, the district shall make technical and academic support available to students.

(cf. 0440 - District Technology Plan)
(cf. 3311.4 - Procurement of Technological Equipment)
(cf. 3515.4 - Recovery for Property Loss or Damage)
(cf. 6163.4 - Student Use of Technology)

Teachers shall provide regular communications to students and parents/guardians about expectations, assignments, and available resources to assist the student in successful completion of distance learning coursework.

(cf. 6020 - Parent Involvement)

Grading of distance learning assignments and assessments of end-of-course knowledge and understanding of the subject matter shall be consistent with district policy on grading for equivalent courses.
(cf. 5121 - Grades/Evaluation of Student Achievement)
(cf. 6146.3 - Reciprocity of Academic Credit)
(cf. 6146.11 - Alternative Credits Toward Graduation)

Legal Reference:
EDUCATION CODE

35182.5 Contracts for electronic products or services; prohibitions
51210-51212 Course of study for grades 1-6
51220-51229 Course of study for grades 7-12
51740-51741 Authority to provide instruction by correspondence
51745-51749.3 Independent study
51865 California distance learning policy
PUBLIC CONTRACT CODE
20118.2 Contracting by school districts; technological equipment
UNITED STATES CODE, TITLE 20
7131 Internet safety
UNITED STATES CODE, TITLE 47
254 Universal service discounts (E-rate); Internet safety

Management Resources:
CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS
COVID-19 Guidance for K-12 Schools
WORLD WIDE WEB CONSORTIUM PUBLICATIONS
Web Content Accessibility Guidelines
WEB SITES
California Department of Education: http://www.cde.ca.gov
World Wide Web Consortium, Web Accessibility Initiative: http://www.w3.org/wai

Policy CABRILLO UNIFIED SCHOOL DISTRICT
adopted: TBD Half Moon Bay, California

Cabrillo USD

Board Policy

Recovery For Property Loss Or Damage

BP 3515.4
Business and Noninstructional Operations

The Governing Board desires to create a safe and secure learning environment and to minimize acts of vandalism and damage to school property. ~~To discourage such acts ,~~ **When district property is damaged due to the willful misconduct of a student or other person,** the district shall seek reimbursement of damages, within the limitations specified in law, ~~from any individual, or~~ from the parent/guardian of ~~any~~ **a** minor **child** or from any other responsible individual.~~, who has committed theft or has willfully damaged district or employee property~~.

(cf. 0450 - Comprehensive Safety Plan)
(cf. 3515 - Campus Security)
(cf. 4156.3/4256.3/4356.3 - Employee Property Reimbursement)
(cf. 4158/4258/4358 - Employee Security)
~~(cf. 5125.2 - Withholding Grades, Diploma or Transcripts)~~
(cf. 5131 - Conduct)
(cf. 5131.5 - Vandalism and Graffiti)
(cf. 5136 - Gangs)
(cf. 5144.1 - Suspension and Expulsion/Due Process)

The district may collect debt owed by a student or former student as a result of vandalism or to cover the replacement cost of district books, supplies, or property loaned to a student that the student willfully fails to return or that is willfully cut, defaced, or otherwise injured. However, this policy shall not apply to a student who is a current or former homeless or foster child or youth. (Education Code 48904, 49014)

(cf. 5125.2 - Withholding Grades, Diploma or Transcripts)
(cf. 6173 - Education for Homeless Children)
(cf. 6173.1 - Education for Foster Youth)

Rewards

~~When district or law enforcement officials have not been able to identify the person(s) responsible for the theft or vandalism of district property, the Board may authorize a reward for the identification and apprehension of the responsible person(s).~~**The Board may offer and pay a reward for information leading to the determination of the identity of, and the apprehension of, any person who willfully damages or destroys any district property. (Government Code 53069.5)**

~~The Board authorizes the Superintendent or designee to offer a reward in any amount he/she deems appropriate, not exceeding $2,500. A reward in excess of $2,500 shall be authorized in advance by the Board~~.

The Board shall determine the appropriate amount for the reward.

The Superintendent or designee shall disburse the reward when the guilt of the person responsible for the act has been established by a criminal conviction or other appropriate judicial procedure. **If more than one person provides information, the reward shall be divided among them as appropriate.**

Legal Reference:

EDUCATION CODE
19910 Libraries, malicious cutting, tearing, defacing, breaking or injuring
19911 Libraries, willful detention of property
44810 Willful interference with classroom conduct
48904 Liability of parent/guardian for willful misconduct
49014 Public School Fair Debt Collection Act
CIVIL CODE
1714.1 Liability of parent or guardian for act of willful misconduct by a minor
GOVERNMENT CODE
53069.5 Reward for information concerning person causing death, injury, or property damage
53069.6 Actions to recover damages
54951 Local agency, definition
PENAL CODE
484 Theft defined
594 Vandalism
594.1 Aerosol paint and etching cream
640.5 Graffiti; facilities or vehicles of governmental entity
640.6 Graffiti

Management Resources:

WEB SITES
CSBA: http://www.csba.org
California Department of Education: http://www.cde.ca.gov
Judicial Council of California: http://www.courts.ca.gov

Policy CABRILLO UNIFIED SCHOOL DISTRICT
adopted: December 11, 2008 Half Moon Bay, California
revised: October 8, 2009
revised: TBD

CABRILLO UNIFIED SCHOOL DISTRICT

498 Kelly Avenue, Half Moon Bay, California 94019 • 650 712-7100 • Fax 650 726-0279 • www.cabrillo.k12.ca.us

SUPERINTENDENT
Sean McPhetridge, Ed.D.

GOVERNING BOARD
Mary Beth Alexander
Lizet Cortes
Kimberly Hines
Sophia Layne
Freya McCamant

MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: Sean McPhetridge, Ed.D., Superintendent
CATEGORY: Action
RECOMMENDATION: Adopt Resolution No. 13-20 of Emergency Relating to Coronavirus (COVID-19)

BACKGROUND INFORMATION

Staff recommend adoption of this resolution in order to facilitate actions taken by the district to implement county and state requirements for emergency funding requests and to facilitate ongoing emergency operations.

FINANCIAL IMPACT

There is no financial impact to the General Fund.

RESOLUTION NO. 13-20
BEFORE THE GOVERNING BOARD
OF THE CABRILLO UNIFIED SCHOOL DISTRICT
SAN MATEO COUNTY, CALIFORNIA

RESOLUTION OF EMERGENCY RELATING TO CORONAVIRUS (COVID-19)

WHEREAS, on March 4, 2020, Governor Gavin Newsom declared a statewide emergency arising from COVID-19; and

WHEREAS, on March 10, 2020, the San Mateo County Health Officer declared a local health emergency arising from COVID-19, and the San Mateo County Board of Supervisors ratified and extended that declaration; and

WHEREAS, on March 12, 2020, Governor Newsom issued an executive order directing Californians to cancel large public gatherings and to practice social distancing; and

WHEREAS, on March 13, 2020, the San Mateo County Health Officer issued a School Operations Modification Order requiring all schools to dismiss students from regular attendance from March 16 through April 3, 2020 (subject to amendment) due to COVID-19 outbreak; and

WHEREAS, on March 14, 2020, the San Mateo County Office of Public Health issued an Order of the Public Health Officer, imposing a mandatory moratorium countywide on gathers of more than 50 persons, and a conditional countywide moratorium on gatherings of fewer than persons, to mitigate the spread of COVID-19; and

WHEREAS, on March 16, 2020, the San Mateo County Office of Public Health issued an Order of the Public Health Officer requiring all individuals in the County to shelter-in-place with the exception of essential activities; and

WHEREAS, the San Mateo County Office of Public Health has reported that numerous persons in San Mateo County have contracted COVID-19 and the full extent to which members of the San Mateo County community have contracted COVID-19 is unclear; and

WHEREAS, throughout this public health emergency, the San Mateo County Superintendent of Schools has encouraged the San Mateo County school districts to prepare and implement plans for school closures and has circulated guidance on measures districts should take to reduce the spread of COVID-19 in their schools, ensure the continued delivery of education to their students, and generally protect the health, and welfare of their students, families, employees, and communities; and

WHEREAS, Education Code section 35161 grants a school district's governing board broad authority to delegate any of its powers or duties to an officer or employee of the district; and

WHEREAS, pursuant to Education Code section 35161, the Board of Education (Board) of the Cabrillo Unified School District (District) has delegated to the Superintendent of the District the authority to implement and oversee those measures which, in the determination of the Board and the Superintendent, will protect the District during the COVID-19 pandemic and to spend District funds needed to execute such measures, so long as those measures are not inconsistent with the purpose of any expended funds;

NOW THEREFORE, BE IT RESOLVED that the Board of Education of Cabrillo Unified School District:

1. Determines that the circumstances described herein constitute an emergency condition or situation.

2. Delegates to the Superintendent authority to take all necessary and appropriate action, upon duly notifying the Board, to protect the District during the COVID-19 pandemic, including, but not limited to, any action:

    A. To ensure and protect the welfare, safety, and educational well-being of all students;

B. To cancel or modify any activities, programs, or courses, up to and including the temporary closure of schools and program sites;

C. To protect District property; and

D. To make further declarations of emergency and to take emergency action as permitted by board policy and relevant law.

3. Authorizes the Superintendent to determine, upon duly notifying the Board and in accordance with relevant state and local guidance, when schools should be reopened because emergency conditions no longer exist and to take action to reopen schools.

4. Authorizes the Superintendent, upon duly notifying the Board and in the event that emergency conditions reemerge after schools have reopened, to take such further actions as may be necessary to protect student and staff health and safety, including, but not limited to, closing District schools that have been reopened, adjusting or reducing the length of the school day without further approval, or any other such action as may be necessary and prudent to protect the health and safety of District students and staff.

BE IT FURTHER RESOLVED that should any portion of this Resolution be held invalid, the invalidity shall not affect other provisions or applications of the Resolution which can be given effect without the invalid provisions or application, and to this end the provisions of this Resolution are declared to be severable.

BE IT FURTHER RESOLVED that this Resolution is an emergency measure within the mandate and jurisdiction of the Board and is necessary for the immediate welfare of the schools and pupils thereof. Therefore, this Resolution shall become effective immediately upon its adoption and shall remain in effect until repealed by formal Board action.

PASSED AND ADOPTED by the Governing Board of the Cabrillo Unified School District on the 14th day of May, 2020, by the following vote:

Mary Beth Alexander:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Lizet Cortes:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Kimberly Hines:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Sophia Layne:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Freya McCamant:	_____	Aye	_____	No	_____	Abstain	_____ Absent

Certified by:

_____
Mary Beth Alexander
Clerk to the Governing Board
Cabrillo Unified School District

Attest by:

_____
Sean McPhetridge, Ed.D.
Secretary to the Governing Board
Cabrillo Unified School District

CABRILLO UNIFIED SCHOOL DISTRICT

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SUPERINTENDENT
Sean McPhetridge, Ed.D.

GOVERNING BOARD
Mary Beth Alexander
Lizet Cortes
Kimberly Hines
Sophia Layne
Freya McCamant

MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: Holly Wade Ph.D., Assistant Superintendent, Educational Support Services
Jason Owens, Director of Personnel and Pupil Services
CATEGORY: Action
RECOMMENDATION: Approve New Health Technician Positions

BACKGROUND INFORMATION

To address the increasing medical needs and demands of our student population, the district is creating three distinct new Health Technician positions, each requiring a more advanced level of medical expertise. These CSEA positions will replace the need to contract with nursing services, relieving the district of a significant financial burden. The three positions are as follows:

A Health Technician will be trained to perform specialized physical health care services for pupils with disabilities and chronic health problems, such as gastrostomy feedings, catheterization, tracheostomy suctioning, and /or other services that require medically-related training.

A Health Technician I requires LVN licensing and will perform a variety of technical duties in support of Student Health Services; screen and assess medical conditions of students; respond to student health issues and problems; notify parents, staff, and health agencies of student injury or emergencies as necessary under the supervision of the credentialed district nurse.

A Health Technician II requires RN licensing and will administer First Aid and provide medical care and treatment to students as appropriate; may include take/ record temperatures; perform first aid procedures and CPR in emergency situations as needed; dispense medications according to health care provider's instructions, under the RN license and trained by the credentialed district nurse.

STATUS

The district finds it necessary to bolster the medical expertise of its staff in order to be adequately prepared to address the medical needs of its population. The creation of the new Health Technician positions provides a cascading level of expertise as well as providing a promotional opportunity for CSEA employees.

CABRILLO UNIFIED SCHOOL DISTRICT

CLASS TITLE: HEALTH TECHNICIAN
CSEA SALARY RANGE: 24

BASIC FUNCTION:

Under the professional direction/supervision of the Cabrillo Credentialed Licensed District Nurse and under the general supervision of the Principal/ Assistant Principal, The Health Technician performs specialized physical health care services for pupils with disabilities and chronic health problems at one or more school sites. The California, Education Code refers to unlicensed school employees that perform these tasks as "qualified designated school personnel."

This position description is not intended to be an exhaustive list of all duties, knowledge, or ability associated with this classification, but is intended to accurately reflect the principle job elements.

ESSENTIAL DUTIES:

- Minimum of high school diploma or equivalent. Health care experience working with children, adolescents, and the public.
- Preferably one year in a school district.
- Preferred: nursing assistant, medical assistant, or paramedic certificate. Or post high school courses leading to certificate or help with areas that the position covers.
- Have and maintain First Aid and CPR Certificate issued by an authorized agency. Responsible for renewal every two years.
- Have and maintain California driver's license.
- Satisfactory work history.
- Successful experience demonstrating tact, courtesy, positive attitude and maintaining cooperative relationships with those contacted during the course of work.
- Computer Skills, net speed of 25 words per minute.
- Good communication skills.
- Exercises good judgement.
- Understands the professional conduct of confidentiality.

REPRESENTATIVE DUTIES:

- A Health Technician is trained to perform specialized physical health care services for pupils with disabilities and chronic health problems, such as gastrostomy feedings, catheterization, tracheostomy suctioning, and /or other services that require medically-related training. Duties may include assisting a pupil with routine diabetes care task, (blood glucose monitoring, urine ketone testing, carbohydrate counting) and performing emergency care tasks (glucagon administration). The duties DO NOT include providing insulin injections or insulin pump manipulation.

- A Health Technician must lift and move designated pupils as necessary in the use of bathroom facilities, including changing diapers, and clothes, cleaning/showering and providing personal hygiene care.
- Prepare, maintain and update a variety of student records, logs, reports and files related to health, emergency information, immunization, medications, health office visits, illnesses, screenings, accidents, health absences, medical issues and assigned activities according to district practice. This includes the need of computer skills.
- Compile, assemble and verify student health information; prepare, process and assure accuracy and completeness of various health forms and paperwork; contact parents to request additional forms, PE and MD notes, and other documents and information as needed.
- Input a variety of student health data and other information into an assigned computer system; maintain automated records and files; generate computerized lists and reports as requested.
- Utilize standard health instruments and First Aid supplies and operate a variety of medical equipment such as thermometers, blood pressure units, nebulizers and inhalers, suction, gastronomy tube feeding, catheterization, oxygen administration, etc. with training from the credentialed district nurse.
- Operate a variety of office equipment including a copier, fax machine, etc.
- Assist with coordinating and arranging vision, hearing and other screening tests for students as directed.
- Assist with various trainings as needed.
- Research health information and medical issues as needed.
- Prepare and provide medications and related instructions for teachers and staff for field trips under the direction of the credentialed district nurse.
- Maintain the Health Office in a clean, orderly, sanitary and safe condition.
- Attend and participate in various meetings as requested; assist in ordering, receiving and maintaining inventory of Health Office and First Aid supplies for classrooms, as required.
- Update necessary Emergency Supplies as needed.
- Respond effectively and appropriately to emergency situations. Administer CPR if needed.
- Meet schedules and timelines.
- Communicate effectively both orally and in writing. Understands and performs confidential record keeping and report preparation techniques.
- Observe health and safety regulations.
- Indoor/outdoor classroom environment, may include but not limited to: Riding on a school bus, exposure to bodily fluids, infectious disease, and cleaning agents/fumes, and driving a vehicle to conduct District business.
- Supervision of specialized physical healthcare services tasks must be provided by a licensed credentialed school nurse, certified public health nurse or licensed physician/surgeon. The supervisor shall provide the training needed to perform specialized healthcare procedures and shall specify the level of supervision required. The supervisor documents the initial training as well as periodic evaluation and review of procedures assigned.
- Perform related duties as assigned.

- Understands/identify communicable diseases.
- Ability to establish and maintain cooperative and effective working relationships with others.
- Hours are determined by the hours' students are in school.
- Reports child abuse.
- Remains calm in an emergency situation. Ability to implement First Aid and CPR procedures.
- Follow proper dispensing and administration of medications to training and the California Ed code.
- Clean and sterile treatment techniques.

PHYSICAL ABILITIES:

The physical demand described here are representative of those that must be met by an employee to successfully perform the essential functions of this job.

- While performing the duties of this job, the employee is regularly required to use hands to finger, handle, or feel object, tools, or controls, and talk or hear. The employee frequently is required to stand, walk, and sit. The employee is occasionally required to reach with hands and arms; climb or balance; stoop, kneel, crouch, or crawl; and taste or smell.
- The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.
- Ability to perform special handling of students with physical disabilities; must have the strength and dexterity to physically assist students and to lift and move up to 50 pounds.
- Ability to sit at a table or desk or stand for extended periods of time.
- Bending at the waist, kneeling or crouching to reach materials and work with students.
- Use lower body mobility to stand, walk, stoop, and bend to perform tasks such as lifting equipment from floor to other locations.
- Ability to move quickly to monitor and assist students.

WORK ENVIRONMENT:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

- Work environment includes working directly with students. The employee must be prepared to handle accidents and emergencies at any time. The job entails potential for exposure to blood borne pathogens and communicable diseases; and for interaction with disruptive and/or unruly individuals.
- Time/site can be adjusted during the work year depending on need of students.
- The noise level in the work environment is usually moderate.

CABRILLO UNIFIED SCHOOL DISTRICT

CLASS TITLE: HEALTH TECHNICIAN I
CSEA SALARY RANGE: 45

BASIC FUNCTION:

Under the direction/supervision of the Cabrillo Credentialed District Nurse and under the general supervision of the Principal/Assistant Principal, the Health Technician I will perform a variety of technical duties in support of student health services. Perform specialized health care services for pupils with disabilities and chronic health problems at one or more school sites, administer basic First Aid, dispense medications and screen ill or injured students; serve as a liaison and coordinate communications and information in support of Student Health Services.

QUALIFICATIONS:

- LVN with two years' acute health care experience working with children, adolescents, and the public.
- Experience handling First Aid situations, emotional issues, and chronic health issues such as diabetes, seizure disorders, etc.
- Valid California LVN licensed is required.
- Have and maintain First Aid and CPR Certificate issued by an authorized agency. Responsible for renewal every two years.
- Have and maintain California driver's license.
- Satisfactory work history
- Successful experience demonstrating tact, courtesy, positive attitude and maintaining cooperative relationships with those contacted during the course of work.
- Applies nursing skills to work at a level appropriate to licensure.
- Computer Skills
- Good communication skills
- Understands the professional conduct of confidentiality.

REPRESENTATIVE DUTIES:

- Observe health and safety regulations
- Perform a variety of technical duties in support of Student Health Services; screen and assess medical conditions of students; respond to student health issues and problems; notify parents, staff, and health agencies of student injury or emergencies as necessary under the supervision of the credentialed district nurse.
- Serve as part of a Medical Team in the event of a disaster occurring on Site.
- Administer First Aid and provide medical care and treatment to students as appropriate; may include take/ record temperatures; perform first aid procedures and CPR in emergency situations as needed; dispense medications according to health care provider's instructions, under the LVN license and trained by the credentialed district nurse.

- Serve as a liaison and coordinate health-services and related communications and information between the District Nurse, students, parents and staff; follow up on health issues to assure student needs are being met.
- Prepare, maintain and update a variety of student records, logs, reports and files related to health, emergency information, immunization, medications, health office visits, illnesses, screenings, accidents, health absences, medical issues and assigned activities according to district practice.
- Compile, assemble and verify student health information; prepare, process and assure accuracy and completeness of various health forms and paperwork; contact parents to request additional forms, PE and MD notes, and other documents and information as needed.
- Input a variety of student health data and other information into an assigned computer system; maintain automated records and files; generate computerized lists and reports as requested.
- Utilize standard health instruments and First Aid supplies and operate a variety of medical equipment such as thermometers, blood pressure units, nebulizers and inhalers, suction, gastronomy tube feeding, catheterization, oxygen administration, etc. with training from the credentialed district nurse.
- Operate a variety of office equipment including a copier, fax machine, etc.
- Assist with coordinating and arranging vision, hearing and other screening tests for students as directed.
- Assist with various trainings as needed.
- Research health information and medical issues as needed.
- Prepare and provide medications and related instructions for teachers and staff for field trips.
- Maintain the Health Office in a clean, orderly, sanitary and safe condition.
- Attend and participate in various meetings as requested; assist in ordering, receiving and maintaining inventory of Health Office and First Aid supplies for classrooms, as required.
- Update necessary Emergency Supplies as needed.
- Respond effectively and appropriately to emergency situations. Administer CPR if needed.
- Meet schedules and timelines.
- May included covering medical issues of student on the playground, field trips and school bus.
- Communicate effectively both orally and in writing
- Operate a computer and assigned software
- Perform related duties as assigned.
- Ability to establish and maintain cooperative and effective working relationships with others.
- Hours are determined by the hours' students are in school.
- Reports child abuse.

PHYSICAL ABILITIES:

The physical demand described here are representative of those that must be met by an employee to successfully perform the essential functions of this job.

- While performing the duties of this job, the employee is regularly required to use hands to finger, handle, or feel object, tools, or controls, and talk or hear. The employee frequently is required to stand, walk, and sit. The employee is occasionally required to reach with hands and arms; climb or balance; stoop, kneel, crouch, or crawl; and taste or smell.
- The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

WORK ENVIRONMENT:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

- Work environment includes working directly with students. The employee must be prepared to handle accidents and emergencies at any time. The job entails potential for exposure to blood borne pathogens and communicable diseases; and for interaction with disruptive and/or unruly individuals.
- Time/site can be adjusted during the work year depending on need of students.
- The noise level in the work environment is usually moderate.

CABRILLO UNIFIED SCHOOL DISTRICT

CLASS TITLE: HEALTH TECHNICIAN II
CSEA SALARY RANGE: 51

BASIC FUNCTION:

Under the direction/supervision of the Cabrillo Credentialed District Nurse and under the general supervision of the Principal/Assistant Principal, the Health Technician II will perform a variety of technical duties in support of student health services. Perform specialized health care services for pupils with disabilities and chronic health problems at one or more school sites, administer basic First Aid, dispense medications and screen ill or injured students; serve as a liaison and coordinate communications and information in support of Student Health Services.

QUALIFICATIONS:

- RN with two years' acute health care experience working with children, adolescents, and the public.
- Preferred B.S. degree and one-year experience in school setting.
- Experience handling First Aid situations, emotional issues, and chronic health issues such as diabetes, seizure disorders, etc.
- Valid California RN license is required.
- Have and maintain First Aid and CPR Certificate issued by an authorized agency.
- Responsible for renewal every two years.
- Have and maintain California driver's license.
- Satisfactory work history
- Successful experience demonstrating tact, courtesy, positive attitude and maintaining cooperative relationships with those contacted during the course of work.
- Applies nursing skills to work at a level appropriate to licensure.
- Computer Skills
- Good communication skills
- Understands the professional conduct of confidentiality.

REPRESENTATIVE DUTIES:

This position description is not intended to be an exhaustive list of all duties, knowledge, or ability associated with this classification, but is intended to accurately reflect the principle job elements.

- Observe health and safety regulations
- Perform a variety of technical duties in support of Student Health Services; screen and assess medical conditions of students; respond to student health issues and problems; notify parents, staff, and health agencies of student injury or emergencies as necessary under the supervision of the credentialed district nurse.
- Serve as part of a Medical Team in the event of a disaster occurring on Site.

- Able to do comprehensive assessment of physical health care needs, review records/consult with parents, health care providers, and school staff to develop Individualized school health care plans and emergency care plans. Interprets physician orders, implementation and evaluation of orders under the directions of the credentialed district nurse.
- Case manage communicable diseases under the directions of the credentialed district nurse.
- Provides individual health counseling and health management for the students, staff and families. Provides health education.
- Participates as a member of the multi-tiered system of student support.
- Administer First Aid and provide medical care and treatment to students as appropriate; may include take/ record temperatures; perform first aid procedures and CPR in emergency situations as needed; dispense medications according to health care provider's instructions, under the RN license and trained by the credentialed district nurse.
- Serve as a liaison and coordinate health-services and related communications and information between the District Nurse, students, parents and staff; follow up on health issues to assure student needs are being met.
- Prepare, maintain and update a variety of student records, logs, reports and files related to health, emergency information, immunization, medications, health office visits, illnesses, screenings, accidents, health absences, medical issues and assigned activities according to district practice.
- Compile, assemble and verify student health information; prepare, process and assure accuracy and completeness of various health forms and paperwork; contact parents to request additional forms, PE and MD notes, and other documents and information as needed.
- Input a variety of student health data and other information into an assigned computer system; maintain automated records and files; generate computerized lists and reports as requested.
- Utilize standard health instruments and First Aid supplies and operate a variety of medical equipment such as thermometers, blood pressure units, nebulizers and inhalers, suction, gastronomy tube feeding, catheterization, oxygen administration, etc. with training from the credentialed district nurse.
- Operate a variety of office equipment including a copier, fax machine, etc.
- Assist with coordinating and arranging vision, hearing and other screening tests for students as directed.
- Assist with various trainings as needed.
- Research health information and medical issues as needed.
- Prepare and provide medications and related instructions for teachers and staff for field trips.
- Maintain the Health Office in a clean, orderly, sanitary and safe condition.
- Attend and participate in various meetings as requested; assist in ordering, receiving and maintaining inventory of Health Office and First Aid supplies for classrooms, as required.
- Update necessary Emergency Supplies as needed.
- Respond effectively and appropriately to emergency situations. Administer CPR if needed.

- Meet schedules and timelines.
- May included covering medical issues of student on the playground, field trips and school bus.
- Communicate effectively both orally and in writing
- Operate a computer and assigned software
- Perform related duties as assigned.
- Ability to establish and maintain cooperative and effective working relationships with others.
- Hours are determined by the hours' students are in school.
- Reports child abuse.

KNOWLEDGE, SKILLS AND ABILITIES:

- Exercise good judgement.
- Thorough knowledge of health and safety regulations.
- Health office and related medical practices, terminology, procedures and equipment.
- General diagnostic methods for illnesses, injuries and medical emergencies.
- Helps maintain a calm atmosphere in the health office and main office of the school.
- Remains calm in an emergency situation
- Follow Proper dispensing and administration of medications to the California Ed code and RN license board.
- General health care practices and procedures.
- Clean and sterile treatment techniques.
- Operation of a computer and assigned software.
- Methods of collecting and organizing data and information.
- Modern office practices, procedures and equipment.
- Confidential record-keeping and report preparation techniques.
- Oral and written communication skills;
- Ability to implement First Aid and CPR procedures.
- Interpersonal skills including tact, patience and courtesy.
- Ability to identify communicable diseases.

PHYSICAL ABILITIES:

The physical demand described here are representative of those that must be met by an employee to successfully perform the essential functions of this job.

- While performing the duties of this job, the employee is regularly required to use hands to finger, handle, or feel object, tools, or controls, and talk or hear. The employee frequently is required to stand, walk, and sit. The employee is occasionally required to reach with hands and arms; climb or balance; stoop, kneel, crouch, or crawl; and taste or smell.
- The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

WORK ENVIRONMENT:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

- Work environment includes working directly with students. The employee must be prepared to handle accidents and emergencies at any time. The job entails potential for exposure to blood borne pathogens and communicable diseases; and for interaction with disruptive and/or unruly individuals.
- Time/site can be adjusted during the work year depending on need of students.
- The noise level in the work environment is usually moderate.

CABRILLO UNIFIED SCHOOL DISTRICT

498 Kelly Avenue, Half Moon Bay, California 94019 • 650 712-7100 • Fax 650 726-0279 • www.cabrillo.k12.ca.us

SUPERINTENDENT
Sean McPhetridge, Ed.D.

GOVERNING BOARD
Mary Beth Alexander
Lizet Cortes
Kimberly Hines
Sophia Layne
Freya McCamant

MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: Holly Wade Ph.D., Assistant Superintendent, Educational Support Services
Jason Owens, Director of Personnel and Pupil Services
CATEGORY: Action
RECOMMENDATION: Adopt Resolution No. 14-20, Reducing and/or Discontinuing of Classified Positions

BACKGROUND INFORMATION

The reduction or discontinuation of classified positions for lack of funds and/or lack of work is permitted under the provisions of Ed Code 45308. Further, section 45117 directs, in part, that:

(a) When as a result of the expiration of a specially-funded program, classified positions must be eliminated at the end of any school year, and classified employees will be subject to layoff for lack of funds, the employees to be laid off at the end of such school year shall be given written notice on or before April 10 informing them of their layoff effective at the end of such school year and of their displacement rights, if any, and reemployment rights.

(b) When, as a result of a bona fide reduction or elimination of the service being performed by any department, classified employees shall be subject to layoff for lack of work. Affected employees shall be given notice of layoff not less than 60 days prior to the effective date of layoff, and informed of their displacement rights.

STATUS

Due to unknown funding from the state for general and restricted programs and lack of commitment letters from site PTA for site staffing, the departments and school sites are unable, at this time, to determine program needs for the 2020-21 school year. While the district is hopeful that minimal reductions will occur, it is necessary to initiate the procedure, required by law, to notify personnel of a possible discontinuation or reduction of classified positions. A reemployment meeting will be scheduled immediately after schools and departments have determined program needs for the 2020-21 school year.

The administration has communicated with representatives of the local CSEA chapter to assure understanding of the layoff procedure regarding the effects of the layoffs. CSEA representatives have reviewed the attached resolution and have been assured that the benefits of employees will continue for not more than four months from the effective date of layoff. Employees will become eligible for unemployment benefits, if all eligibility requirements are met, as of the last working day of the school year even though the effective date of the layoff is June 30, 2020. Unemployment benefits will cease, however, as soon as the laid-off employee is provided reasonable assurance of reemployment in the fall.

RESOLUTION NO. 14-20
BEFORE THE GOVERNING BOARD
OF THE CABRILLO UNIFIED SCHOOL DISTRICT
SAN MATEO COUNTY, CALIFORNIA

REDUCING AND/OR DISCONTINUING OF CLASSIFIED POSITIONS

WHEREAS, budget projections indicate a significant reduction in available financial resources for 2020-21, and

WHEREAS, the district at this time has no assurance of continuing to receive funds under state and federal categorical programs, and

WHEREAS, as a result of the expiration of specially-funded programs, classified positions must be discontinued and/or reduced at the end of the school year, and

WHEREAS, due to lack of funds and/or lack of work, it is the opinion of this Board that the following classified positions be discontinued and/or reduced:

- Clerical Assistant III-Migrant (1)
- School/Community Relations Assistant (1)

THEREFORE, BE IT RESOLVED, by the Governing Board as follows:

1. That due to lack of funds and/or lack of work, the classified positions listed above shall be reduced and/or discontinued pursuant to Education Code 45117.

2. That the Superintendent or designee is directed to give notice of layoff to the affected classified employees pursuant to Education Code 45117, no later than sixty (60) days prior to the effective date of the elimination of services forth above.

3. That said layoff shall become effective on June 30, 2020.

4. That persons laid off pursuant to this resolution shall be eligible for reemployment pursuant to Education Code 45298.

PASSED AND ADOPTED by the Governing Board of the Cabrillo Unified School District, this 14th day of May, 2020, by the following vote:

Mary Beth Alexander:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Lizet Cortes:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Kimberly Hines:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Sophia Layne:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Freya McCamant:	_____	Aye	_____	No	_____	Abstain	_____ Absent

Certified by:

_____
Mary Beth Alexander
Clerk to the Governing Board
Cabrillo Unified School District

Attest by:

_____

Sean McPhetridge, Ed.D.
Secretary to the Governing Board
Cabrillo Unified School District

CABRILLO UNIFIED SCHOOL DISTRICT

498 Kelly Avenue, Half Moon Bay, California 94019 • 650 712-7100 • Fax 650 726-0279 • www.cabrillo.k12.ca.us

SUPERINTENDENT
Sean McPhetridge, Ed.D.

GOVERNING BOARD
Mary Beth Alexander
Lizet Cortes
Kimberly Hines
Sophia Layne
Freya McCamant

MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: J Jesús Contreras, Chief Business Officer
CATEGORY: Action
RECOMMENDATION: Adopt Fiscal Year-End Resolution No. 15-20 Approving Budgetary Increases and Transfers at Year-End

BACKGROUND INFORMATION

Every year, the Governing Board is presented with the following resolution allowing the Business Office to perform the accounting necessary to close the previous fiscal year books.

a) Resolution No. 15-20 Budgetary Increases and Transfers at Year-End

Fiscal year-end posting of warrants, liabilities or both may cause overages in expenditure accounts that will need budget transfers between major objects or reserve accounts. District governing board must approve budget revisions and transfers to any over expended major object of expenditure. Resolution authorizes the Chief Business Official to implement any necessary changes on behalf of the Governing Board.

REPORT/PROPOSAL

Fiscal Year-End Resolution is presented to the Members of the Governing Board for approval.

FINANCIAL IMPACT

There is no financial impact to the General Fund.

RESOLUTION NO. 15-20
BEFORE THE GOVERNING BOARD
OF THE CABRILLO UNIFIED SCHOOL DISTRICT
SAN MATEO COUNTY, CALIFORNIA

APPROVING BUDGETARY INCREASES AND TRANSFERS AT YEAR-END

WHEREAS, Education Code Section 42600 limits school district expenditures in each major expenditure classification to the total budgeted amount, as approved by the Board of Trustees of the school district;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees, in accordance with Education Code Sections 42601 and 85201, does hereby authorize the San Mateo County Superintendent of Schools to make transfers between the unappropriated fund balance and expenditure classifications, and to transfer budgeted amounts between expenditure classifications, as necessary to permit payment of obligations of the district for fiscal year 2019-2020; and

BE IT FURTHER RESOLVED that the Secretary of the Board of Trustees be instructed to prepare two copies of this resolution and present them to the County Superintendent of Schools for approval.

PASSED AND ADOPTED by the Governing Board of the Cabrillo Unified School District on the 14th day of May, 2020, by the following vote:

Mary Beth Alexander:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Lizet Cortes:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Kimberly Hines:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Sophia Layne:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Freya McCamant:	_____	Aye	_____	No	_____	Abstain	_____ Absent

Certified by:

_____
Mary Beth Alexander
Clerk to the Governing Board
Cabrillo Unified School District

Attest by:

_____
Sean McPhetridge, Ed.D.
Secretary to the Governing Board
Cabrillo Unified School District

_____
Nancy Magee
County Superintendent of Schools

_____
Approved/Filed Date

* Elementary districts with 901 or more ADA, high school districts with 301 or more ADA, and unified districts with 1,501 or more ADA must submit a Budgetary Revision specifying the individual transfers needed to ensure that all major expenditure classifications are positive at year end. Direct service districts may request, in writing, that the County Superintendent of Schools determine the individual transfers needed for the Budgetary Revision.

** E.C. Sections 42600, 42602, and 42610 provide that a budget increase be approved by a majority of the Board.
*** My signature certifies the above vote of the Governing Board to be accurate and true.

Districts may (a) have all Board members sign in the appropriate categories, or (b) type in the names and have the district Superintendent certify the accuracy of the vote

CABRILLO UNIFIED SCHOOL DISTRICT

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SUPERINTENDENT
Sean McPhetridge, Ed.D.

GOVERNING BOARD
Mary Beth Alexander
Lizet Cortes
Kimberly Hines
Sophia Layne
Freya McCamant

MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: J Jesús Contreras, Chief Business Officer
CATEGORY: Action
RECOMMENDATION: Adopt Fiscal Year-End Resolution No. 16-20, Appropriating Ending Balance to a Reserve

BACKGROUND INFORMATION

Every year, the Governing Board adopts the following resolution allowing the Business Office to perform the accounting necessary to close the previous fiscal year books.

a) Resolution No. 16-20, Appropriating Ending Balance to a Reserve.

Establishes a reserve account and appropriates any funds not already appropriated. This action allows the appropriation of all ending balance amounts to a reserve account, thereby eliminating the ending balance from being subject to the Gann Limitation in the next fiscal year.

REPORT/PROPOSAL

Adopt Fiscal Year-End Resolution No. 16-20 to approve appropriating ending balance to a reserve.

FINANCIAL IMPACT

There is no financial impact to the General Fund. Appropriations will be presented with unaudited actuals.

RESOLUTION NO. 16-20
BEFORE THE GOVERNING BOARD
OF THE CABRILLO UNIFIED SCHOLL DISTRICT
SAN MATEO COUNTY, CALIFORNIA

APPROPRIATING ENDING BALANCE TO A RESERVE

WHEREAS, all public agencies including school districts must appropriate revenues pursuant to Article XIIIB of the California Constitution; and

WHEREAS, Section 2 of Article XIIIB requires that any revenues not appropriated in compliance with the Article be returned through a revision in tax rates or fee schedules; and

WHEREAS, Section 5 of Article XIIIB allows an entity of government, including a school district, to establish a reserve and that contributions made to such a reserve are considered to be appropriations subject to the limitations of Article XIIIB in the year in which the contribution is made and that expenditures of withdrawals from such a reserve are not subject to the limitations of Article XIIIB; and

WHEREAS, the district wishes to ensure that all revenues received during the 2019-2020 fiscal year have been appropriated and, furthermore, that such revenues not be subject to limitation in any future fiscal year;

NOW, THEREFORE, BE IT RESOLVED that, at the close of the 2019-2020 fiscal year any moneys from revenues and beginning balances not expended during the fiscal year are hereby appropriated to a Reserve Account within the General Fund, as authorized by Section 5 of Article XIIIB of the California Constitution.

PASSED AND ADOPTED by the Governing Board of the Cabrillo Unified School District on the 14th day of May, 2020, by the following vote:

Mary Beth Alexander:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Lizet Cortes:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Kimberly Hines:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Sophia Layne:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Freya McCamant:	_____	Aye	_____	No	_____	Abstain	_____ Absent

Certified by:

_____
Mary Beth Alexander
Clerk to the Governing Board
Cabrillo Unified School District

Attest by:

_____
Sean McPhetridge, Ed.D.
Secretary to the Governing Board
Cabrillo Unified School District

_____
Nancy Magee
County Superintendent of Schools

_____
Approved/Filed Date

CABRILLO UNIFIED SCHOOL DISTRICT

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SUPERINTENDENT
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GOVERNING BOARD
Mary Beth Alexander
Lizet Cortes
Kimberly Hines
Sophia Layne
Freya McCamant

MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: J Jesús Contreras, Chief Business Officer
Crawford School Business Consulting
CATEGORY: Action
RECOMMENDATION: Approve Purchase of Classroom Furniture for the Hatch Kindergarten Project

BACKGROUND INFORMATION

The District is allowed to accept state and national bids that have a piggyback clause (Public Contract Code 20118 and 20652) to lease data processing equipment, purchase materials, supplies, equipment, automotive vehicles, tractors, or other personal property without advertising for bids. Since many agencies use this alternative procedure, the pricing for these goods are generally lower due to the volume of purchases.

REPORT/PROPOSAL

With the approval of the Governing Board, the district will purchase classroom furniture for the Hatch Kindergarten Project through Campbell Keller utilizing the piggyback bid with Los Rios Community College District. The furniture includes chairs, tables, bookshelves, storage cabinets, and kindergarten specific equipment to fill five classrooms.

FINANCIAL IMPACT

The cost of the furniture is $117,222.18. Bond Fund will cover this expense.



QUOTE

Beth O'Leary
3041 65TH ST., STE. 3
SACRAMENTO CA 95820
916.737.3300 M
F
boleary@campbellkeller.com

Prepared For:
Cabrillo USD
James Crawford
Consultant
498 Kelly Avenue
Half Moon Bay CA 94019
PH: (408) 410-5983
Fax:

Notes: Terms: Net 30 days w/PO. Prices provided piggyback off Los Rios CCD bid 19-017 and include design, delivery and installation at prevailing wage rates.

4/29/2020
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Line #	Qty	Mfg	Part Number	Part Description	Sell Price	Extended Sell
Tag/Group:						
1	25	SMS	04113	36" x 72" Interchange Activity Table	$468.66	$11,716.50
			7990-60	Mission Maple Lamiante		
			(STD)	1-1/4" Top with 3/8" Bumper T-Mold		
			(BLUEBERRY)	Blueberry Edge Color		
			PLT	Platinum Frame Finish		
			~	*** No Power ***		
2	5	SMS	04125	48" Round Interchange Activity Table	$446.03	$2,230.15
			7990-60	Mission Maple Lamiante		
			(STD)	1-1/4" Top with 3/8" Bumper T-Mold		
			(APPLE)	Apple Edge Color		
			PLT	Platinum Frame Finish		
			...	Skipped Option		
3	5	SMS	04128	36" x 72" Half-Moon Interchange Activity Table	$466.47	$2,332.35
			7990-60	Mission Maple Lamiante		
			(STD)	1-1/4" Top with 3/8" Bumper T-Mold		
			(BLUEBERRY)	Blueberry Edge Color		

Line #	Qty	Mfg	Part Number	Part Description	Sell Price	Extended Sell
			PLT	Platinum Frame Finish		
			~	*** No Power ***		
4	10	JC	0523JC	Short Fixed-Shelf Straigh Bookcase 24Hx36Wx15D	$214.16	$2,141.60
5	5	JC	0909JC	Dress-Up Storage-with Colored Tubs	$422.96	$2,114.80
6	36	SMS	11846	Flavors 12" C Stack Chair	$69.35	$2,496.60
			(BLUEBERRY)	Blueberry Shell Color		
			PLT	Platinum Frame Finish		
			(N)	Standard Nylon Base Glides		
7	144	SMS	11847	Flavors 14" B Stack Chair	$73.73	$10,617.12
			(BLUEBERRY)	Blueberry Shell Color		
			PLT	Platinum Frame Finish		
			(N)	Standard Nylon Base Glides		
8	5	SMS	121V00000P	Cascade Mini-Case (Casters) Door w/ shelves & riser	$592.03	$2,960.15
			A	Apple		
			7990-60	Mission Maple Lamiante		
9	35	SMS	17576	Dual Wheel 3" Caster, 4 Locking	$55.48	$1,941.80
10	5	SMS	17670	Laptop shelf	$94.90	$474.50

Prepared For:
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Fax:

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Line #	Qty	Mfg	Part Number	Part Description	Sell Price	Extended Sell
			A	Apple		
11	5	JC	2061JC	Housecleaning Set-n-Rack	$98.00	$490.00
12	10	SMS	21088	Everything Cart	$385.44	$3,854.40
			APPLE	Apple		
13	5	SMS	21101	Gorilla Truck with (6) Sloping Shelves	$458.44	$2,292.20
			(DS)	Double-SideD Configuration		
			FOREST	Forest Green		
14	5	JC	2404JC	Chef's Kitchen	$504.56	$2,522.80
15	5	JC	2410JC	Culinary Creations Play Kitchen Refrigerator	$253.84	$1,269.20
16	10	JC	40310JC	30 Tub Mobile Storage - with Clear Tubs 42Hx60Wx15D	$774.24	$7,742.40
17	10	JC	4690JC	Mega Mobile Straight-Shelf 42Hx48Wx15D	$348.96	$3,489.60
18	10	JC	5949JC	Space-Saver Storage Cabinet 60Hx30Wx24D	$616.80	$6,168.00
19	10	JC	5949JC	Space-Saver Storage Cabinet 60Hx30Wx24D	$616.80	$6,168.00

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Line #	Qty	Mfg	Part Number	Part Description	Sell Price	Extended Sell
20	5	JC	7094YT	Big Book Easel 27Hx24.5Wx20D	$215.60	$1,078.00
21	10	JC	7140YT	25 Cubbie-Tray Storage - without Bins 42Hx60Wx15D	$324.16	$3,241.60
22	7	SMS	77159	Low-range inserts (set of 4)	$40.15	$281.05
23	10	HON	H18823N	Flagship Series Pedestal "N" Pull Mobile F/F 23D 2	$405.54	$4,055.40
			.L	Standard Random Key Lock		
			$(P2)	P2 Paint Opts		
			.T4	Champagne Metallic		
24	5	HON	HMT1	Motivate Task-Flex Back-Uph Seat Pneu Swivel	$318.60	$1,593.00
			.N	Arm: No Arm		
			.H	CASTER: Hard (Standard)		
			.IC	Charcoal Ilira Mesh		
			$(3)	Grade: III Uph		
			.SX	Silvertex		
			34	COLOR: Acid		
			.SB	Base: Standard Plastic Black		
			.T	FRAME: Black		
25	5	HON	HMT5	Motivate Task-Flex Back-Uph Seat Adj Footring	$350.46	$1,752.30
			.N	Arm: No Arm		
			.H	CASTER: Hard (Standard)		

Prepared For:
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Fax:

Notes: Terms: Net 30 days w/PO. Prices provided piggyback off Los Rios CCD bid 19-017 and include design, delivery and installation at prevailing wage rates.

Line #	Qty	Mfg	Part Number	Part Description	Sell Price	Extended Sell
			.IC	Charcoal Ilira Mesh		
			$(3)	Grade: III Uph		
			.SX	Silvertex		
			34	COLOR: Acid		
			.SB	Base: Standard Plastic Black		
			.T	FRAME: Black		
26	10	SMS	OODLE33	Oodle Stool 3 + 3 Rocker Bases	$181.77	$1,817.70
			PLT	Oodle Color: Platinum		
27	10	SMS	OODLE33	Oodle Stool 3 + 3 Rocker Bases	$181.77	$1,817.70
			APL	Oodle Color: Apple		
28	15	HON	SPLH-FLAG-LATN	Flagship 30W 2-Open Shelf Lateral 30W 28H 18D	$451.44	$6,771.60
			.M495654	Special shelf- no drawers		
			.X	Omt Core to Order Key Alike		
			$(P2)	P2 Paint Opts		
			.T4	Champagne Metallic		
				Subtotal by Tag/Group:		**$95,430.52**
				Shipping & Handling	$11,866.67	$11,866.67
				Sales tax	$9,924.99	$9,924.99
				Total Sell:		**$117,222.18**

Prepared For:
Cabrillo USD
James Crawford
Consultant
498 Kelly Avenue
Half Moon Bay CA 94019
PH: (408) 410-5983
Fax:

Notes: Terms: Net 30 days w/PO. Prices provided piggyback off Los Rios CCD bid 19-017 and include design, delivery and installation at prevailing wage rates.

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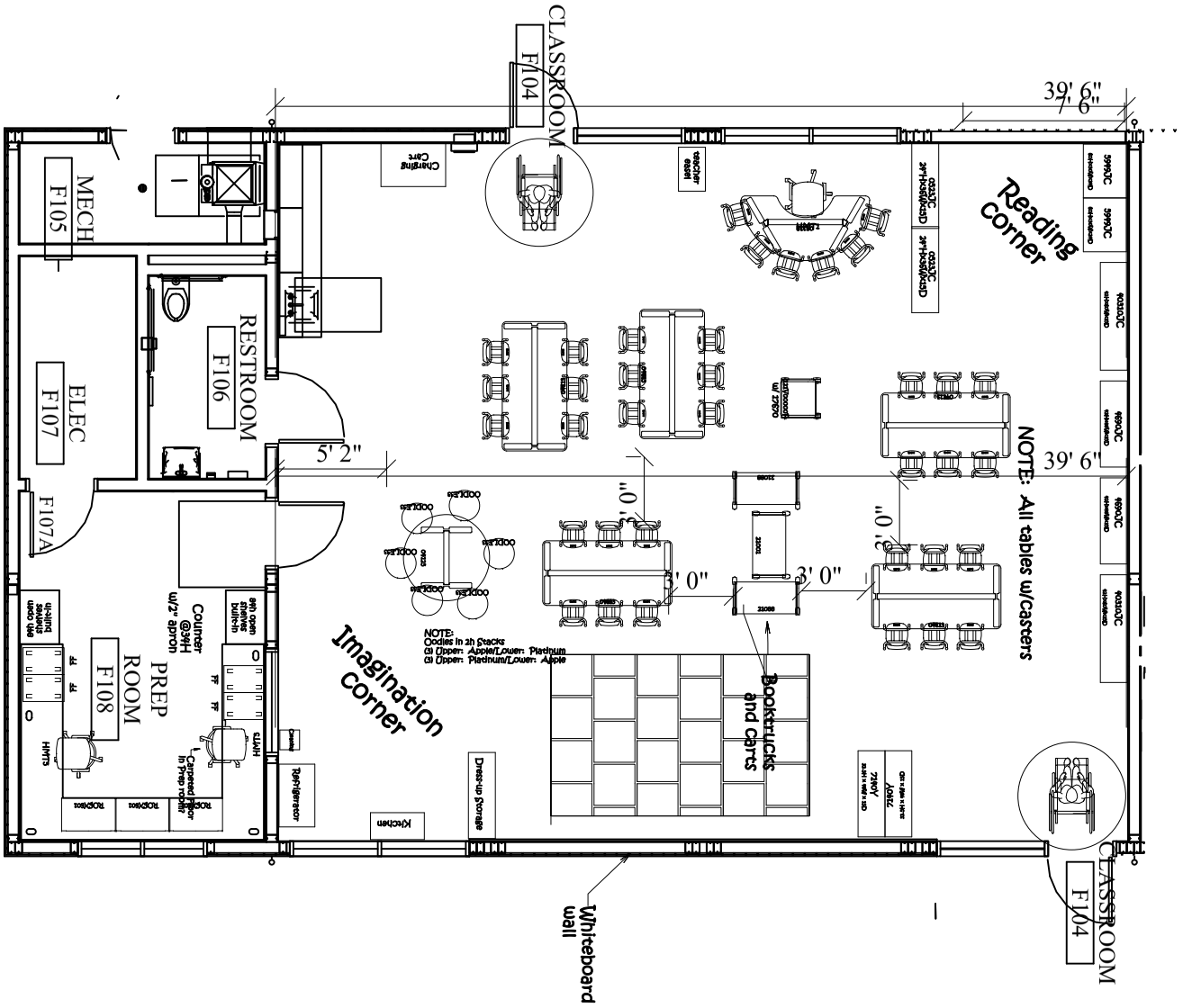
Line #	Qty	Mfg	Part Number	Part Description	Sell Price	Extended Sell

Acceptance of this proposal:

_____

Name **Title** **Date**

To begin processing your order, please sign and email quote to boleary@campbellkeller.com. By signing this proposal you have acknowledged that you have reviewed the color selections and are familiar with the products being ordered. All items are made to order and are not returnable. Installation quoted for normal business hours with good access and prevailing wage rates. If prevailing wage rates do not apply, please contact us and we will requote at standard wage rates. Thank you for your attention in reviewing the products contained in this quote and for your patronage.



Kindergarten Typical

Note: 4 Kinder Rms w/14H chairs; 1 TK Rm w/ 12H chairs

Scale: 1/8" = 1'-0"

Campbell Keller
3041 65th St., Suite 3
Sacramento, CA 95820
(916) 737-3300

Cabrillo USD
Hatch Elementary
490 Miramontes Ave.
Half Moon Bay, CA 94019

Revision #

Initials: _____

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Drawing number: 112940

Drawn by:	Sales Rep:
BCO	BCO
Date: 04/24/20	Scale: 1/8"

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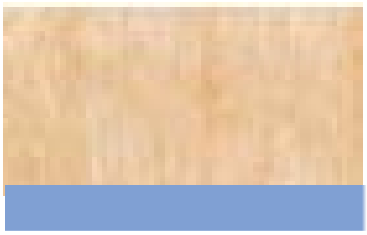
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CAMPBELL KELLER
Environments at Work

Finish Sheet

PROJECT: Cabrillo USD
Hatch ES-Kinder Rooms

Proposal Number 112940

CODE	SPECIFICATION	SAMPLE
Manufacturer: Smith System Laminate: Mission Maple Code: 7990-60 Edge: Blueberry Code: C	Interchange Rectangluar Tables (with casters)	
Manufacturer: Smith System Poly: Blueberry Code: C Frame: Platinum Code: PLT	Flavors Student Chairs (4-classrooms 14H, 1 classroom 12H, all w/ glides)	
Manufacturer: Jonti-Craft Color: Maple Wood	Student and Classroom Storage	

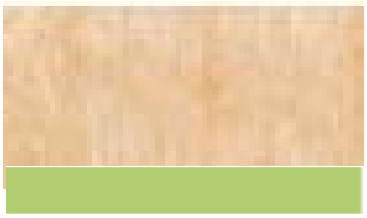
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CAMPBELL KELLER
Environments at Work

Finish Sheet

PROJECT: Cabrillo USD
Hatch ES-Kinder Rooms

Proposal Number 112940

CODE	SPECIFICATION	SAMPLE
Manufacturer: Smith System Laminate: Mission Maple Code: 7990-60 Edge: Apple Code: A	Interchange Round Table (w/casters)	
Manufacturer: Smith System Color: Apple Code: APL Color: Platinum Code: PLT	Oodles (in 2H stacks)	

APPROVED BY _____ DATE _____

CAMPBELL KELLER
Environments at Work

Finish Sheet

PROJECT: Cabrillo USD
Hatch ES-Kinder Rooms

Proposal Number 112940

CODE	SPECIFICATION	SAMPLE
Manufacturer: Smith System Paint: Forest Green	Gorilla 6-Shelf booktruck 18D x 36W x 44H	
Manufacturer: Smith System Paint: Apple	Everything Cart 18" x 36" x 36"	
Manufacturer: Smith System Paint: Platinum Code: Side Paint: Apple Riser Laminate: Mission Maple Edge: Apple Laptop shelf pull: Apple	Mid Case 19D x 29W x 30.4H (w/ (6) totes 16.75"D x 12.25"W x 12"H)	

APPROVED BY _____ DATE _____

CAMPBELL KELLER
Environments at Work

Finish Sheet

PROJECT: Cabrillo USD
Hatch ES-Kinder Rooms

Proposal Number 112940

CODE	SPECIFICATION	SAMPLE
Manufacturer: Hon Paint: Champagne Metallic Code: T4	Flagship Metal Storage	
Manufacturer: Hon Meshback: Charcoal Code: IC Seat: Silvertex Color: Acid Code: SX34	Movtivate Teacher Chair (armless with hard casters)	
Manufacturer: Hon Meshback: Charcoal Code: IC Seat: Silvertex Color: Acid Code: SX34	Movtivate Teacher Stool (armless with hard casters)	

APPROVED BY _____ DATE _____

CABRILLO UNIFIED SCHOOL DISTRICT

498 Kelly Avenue, Half Moon Bay, California 94019 • 650 712-7100 • Fax 650 726-0279 • www.cabrillo.k12.ca.us

SUPERINTENDENT
Sean McPhetridge, Ed.D.

GOVERNING BOARD
Mary Beth Alexander
Lizet Cortes
Kimberly Hines
Sophia Layne
Freya McCamant

MEMORANDUM

MEETING DATE: May 14, 2020
TO: Members of the Governing Board
FROM: J Jesús Contreras, Chief Business Officer
Crawford School Business Consulting
CATEGORY: Action
RECOMMENDATION: Approve Resolution No.17-20, TRAN Issuance and Resolution Maximum Amount Borrowing

BACKGROUND INFORMATION

The Cabrillo Unified School District is anticipating a significant drop in cash (negative balance) starting around October (2020) and running until May (2021) of next year. The drop is caused by the district shifting from a basic aid designation back to a LCFF designation for its major revenue funding. The shift back to LCFF causes the County to reallocate the negative Vehicle License Fee (VLF) offset against the district's property taxes. The result is zero ($0) property taxes for 2020-21 school year. The State will not recognize the loss in property taxes until February and then readjust for the missing property tax funding with State funds.

FINANCIAL IMPACT

Projected cash balance on the first of the month for the 2020-21 school year:

July	$5,253,170	January	($8,963,709)
August	$3,999,209	February	($11,052,441)
September	$1,213,987	March	($8,651,365)
October	($1,502,284)	April	($5,918,365)
November	($4,587,480)	May	($2,470,418)
December	($7,398,906)	June	$456,614

The peak of the negative cash should occur around early February at just over $11 million. To offset this negative cash flow, the district can borrow temporary cash from the California School Board Association Tax and Revenue Anticipation Notes (TRAN's) program.

Cost to borrow the funds will be about $40,000 for issuing cost and 1.5% interest on the funds. The funds would be held into the district's account at the County Treasury. The funds will collect interest from the County Treasury when they are not being used.

Estimated Cost to District (based on a $11 million TRAN's):

Issuing Cost	$40,000
Interest Paid to Holders of Notes	$165,000
Interest While in County	($113,689)
Estimated Cost for TRAN's	$91,311

The resolution has set the TRAN's limit at $15 million to allow changing the amount if the district's financial condition deteriorates with the Governor's May Revisions. The notes would be issued in July 2020 and repaid in June 2021.

650 CALIFORNIA ST. SUITE 2050
SAN FRANCISCO, CA 94108
WWW.DALESCOTT.COM

April 23, 2020

Jesús Contreras
Chief Business Officer
Cabrillo Unified School District
498 Kelly Avenue
Half Moon Bay, CA 94019

Re: 2020-2021 Fiscal Year California School Cash Reserve Program
RESOLUTION ADOPTION PACKAGE INSTRUCTIONS

Dear Jesús:

This PDF file contains the board ready TRAN issuance **Resolution** and the corresponding **Signature Pages**. A separate PDF file with the forms of the legal documents referenced in the resolution is also available for download from our website.

To simplify the process, we have already filled in the names of the individuals who must sign each of the attached signature pages. To ensure a smooth process please:

1. **Check the names and titles of the officials on the signature pages for accuracy.** (Please call us immediately at 415-956-1030 if any changes need to be made.)

2. **Check the Resolution "Maximum Amount of Borrowing."** This amount sets forth the maximum amount of TRANs you may issue (the actual TRAN amount will be determined in May after the cash flow projection is finalized). Please let us know if this amount needs to be changed.

3. **Adopt the Resolution** *(Please note, state law requires that TRAN resolutions be adopted as an ACTION ITEM and cannot be adopted on the consent agenda.)*

4. **Sign and return all four original copies of the signature pages to us by June 1, 2020**. For your convenience, a pre-paid FedEx shipping label is included in this PDF.

DS&C

Signing the documents included in this package helps streamline the closing process of the TRAN. Signing the documents does not obligate the district to issue a TRAN. After the TRANs are sold, a final "Pricing Confirmation" supplement to the Purchase Agreement that details the amounts, costs, and repayment terms of the TRAN will be sent to you. Signing that document finalizes the TRAN issuance. The signature pages included in this package are for the following documents:

- Secretary's Certificate: ***Please fill in the adoption date and vote tally on each page and have all copies signed.***
- Note
- District Certificate
- Purchase Agreement

Should you have any questions regarding any of the above or the attached documents, please do not hesitate to call our office at (415) 956-1030.

Sincerely,

DALE SCOTT & COMPANY



Mark J. Farrell
Senior Financial Advisor

THIS RESOLUTION MUST BE DISCUSSED, CONSIDERED AND DELIBERATED BY THE GOVERNING BOARD AS A SEPARATE ITEM OF BUSINESS ON THE GOVERNING BOARD'S AGENDA IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 53635.7.

DISTRICT RESOLUTION

NAME OF DISTRICT: CABRILLO UNIFIED SCHOOL DISTRICT*

LOCATED IN: COUNTY OF SAN MATEO

MAXIMUM AMOUNT OF BORROWING: $15,000,000

RESOLUTION OF THE GOVERNING BOARD AUTHORIZING THE BORROWING OF FUNDS FOR FISCAL YEAR 2020-2021 AND THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF 2020-2021 TAX AND REVENUE ANTICIPATION NOTES THEREFOR AND PARTICIPATION IN THE CALIFORNIA SCHOOL CASH RESERVE PROGRAM AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY TO ISSUE AND SELL SAID SERIES OF NOTES

WHEREAS, school districts, community college districts and county boards of education are authorized by Sections 53850 to 53858, both inclusive, of the California Government Code (the "Act") (being Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code) to borrow money by the issuance of temporary notes; and

WHEREAS, the governing board (the "Board") has determined that, in order to satisfy certain obligations and requirements of the school district, community college district or county board of education specified above (the "District"), a public body corporate and politic located in the County designated above (the "County"), it is desirable that a sum (the "Principal Amount"), not to exceed the Maximum Amount of Borrowing designated above, be borrowed for such purpose during its fiscal year ending June 30, 2021 ("Fiscal Year 2020-2021") by the issuance of its 2020-2021 Tax and Revenue Anticipation Notes (the first series of which shall be referred to herein as the "Series A Notes" and any subsequent series of which shall be referred to herein as "Additional Notes," and collectively with the Series A Notes, the "Notes"), in one or more series (each a "Series"), therefor in anticipation of the receipt by or accrual to the District during Fiscal

* If the Name of the District indicated on the face hereof is not the correct legal name of the District which adopted this Resolution, it shall nevertheless be deemed to refer to the District which adopted this Resolution, and the Name of the District indicated on the face hereof shall be treated as the correct legal name of said District for all purposes in connection with the Program (as hereinafter defined).

Year 2020-2021 of taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for such fiscal year for the general fund and, if so indicated in a Pricing Confirmation (as defined in Section 4 hereof), capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation) of the District; and

WHEREAS, the Principal Amount may, as determined by the Authorized Officer (as hereinafter defined), be divided into two or more portions evidenced by two or more Series of Notes, which Principal Amount is to be confirmed and set forth in the Pricing Confirmation if one Series of Notes is issued, or if more than one Series of Notes are issued, such Principal Amount will be equal to the sum of the Series Principal Amounts (as defined in Section 2 hereof) as confirmed and set forth in the Pricing Confirmation applicable to each Series of Notes; and

WHEREAS, the District hereby determines to borrow, for the purposes set forth above, the Principal Amount by the issuance, in one or more Series, of the Notes;** and

WHEREAS, because the District does not have fiscal accountability status pursuant to Section 1080, Section 42647, Section 42650 or Section 85266 of the California Education Code, it requests the Board of Supervisors of the County to borrow, on the District's behalf, the Principal Amount by the issuance of the Notes in one or more Series; and

WHEREAS, pursuant to Section 53853 of the Act, if the Board of Supervisors of the County fails or refuses to authorize the issuance of the Notes within the time period specified in said Section 53853, following receipt of this Resolution, and the Notes, in one or more series, are issued in conjunction with tax and revenue anticipation notes, in one or more series, of other Issuers (as hereinafter defined), the District may issue the Notes, in one or more series, in its name pursuant to the terms stated herein; and

WHEREAS, it appears, and this Board hereby finds and determines, that the Principal Amount, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for Fiscal Year 2020-2021 which will be received by or which will accrue to the District during such fiscal year for the general fund and, if so indicated in a Pricing Confirmation, capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation) of the District and which will be available for the payment of the principal of each Series of Notes and the interest thereon; and

WHEREAS, no money has heretofore been borrowed by or on behalf of the District through the issuance of tax anticipation notes or temporary notes in anticipation of the receipt of, or payable from or secured by, taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for Fiscal Year 2020-2021 which will be received by or will accrue to the District during such fiscal year

**** Unless the context specifically requires otherwise, all references to "Series of Notes" herein shall be deemed to refer, to (i) the Note, if issued in one series by the County (or the District, as applicable) hereunder, or (ii) each individual Series of Notes severally, if issued in two or more series by the County (or the District, as applicable) hereunder.

for the general fund and, if so indicated in a Pricing Confirmation, capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation) of the District; and

WHEREAS, pursuant to Section 53856 of the Act, certain taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys which will be received by or accrue to the District during Fiscal Year 2020-2021 are authorized to be pledged for the payment of the principal of each Series of Notes (as applicable) and the interest thereon (as hereinafter provided); and

WHEREAS, the District has determined that it is in the best interests of the District to participate in the California School Cash Reserve Program (the "Program"), whereby participating school districts, community college districts and county boards of education (collectively, the "Issuers") will simultaneously issue tax and revenue anticipation notes; and

WHEREAS, the Program has been designed with alternative structures, each of which the District desires to approve; and

WHEREAS, under the first structure (the "Certificate Structure"), the District would issue one or more Series of Notes, each Series of Notes to be marketed with some or all of the notes issued simultaneously by other Issuers participating in the Program, and Piper Sandler & Co., as underwriter for the Program (the "Underwriter"), and Dale Scott & Company, as financial advisor for the Program (the "Financial Advisor"), would form one or more pools of notes or series of certificates (the "Certificates") of participation (the "Series of Certificates") distinguished by (i) whether and what type(s) of Credit Instrument (as hereinafter defined) secures notes comprising each Series of Certificates, and (ii) possibly other features, all of which the District hereby authorizes the Underwriter and the Financial Advisor to determine; and

WHEREAS, the Certificate Structure requires the Issuers participating in any particular Series of Certificates to deposit their applicable series of tax and revenue anticipation notes with U.S. Bank National Association, as trustee (the "Trustee"), pursuant to a trust agreement between such Issuers and the Trustee (the trust agreement applicable to each Series of Certificates, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein collectively as, the "Trust Agreement"), and requires the Trustee, pursuant to the Trust Agreement, to execute and deliver the Certificates evidencing and representing proportionate undivided interests in the payments of principal of and interest on the tax and revenue anticipation notes issued by the Issuers comprising such Series of Certificates; and

WHEREAS, if the Certificate Structure is implemented, the District desires to have the Trustee execute and deliver a Series of Certificates which evidences and represents interests of the owners thereof in each Series of Notes issued by the District and the notes issued simultaneously by other Issuers participating in such Series of Certificates; and

WHEREAS, as additional security for the owners of each Series of Certificates, all or a portion of the payments by all of the Issuers of their respective series of notes comprising such Series of Certificates may or may not be secured by an irrevocable letter (or letters) of credit or

policy (or policies) of insurance or other credit instrument (or instruments) (collectively, the "Credit Instrument") issued by the credit provider (or credit providers) (collectively, the "Credit Provider") designated in the applicable Trust Agreement, as finally executed, pursuant to a credit agreement (or agreements) or commitment letter (or letters) (such credit agreement (or agreements) or commitment letter (or letters), if any, in the forms presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein collectively as, the "Credit Agreement") identified in the applicable Trust Agreement, as finally executed, between, in the case of an irrevocable letter (or letters) of credit or policy (or policies) of insurance or other credit instrument (or instruments), the Issuers and the corresponding Credit Provider; and

WHEREAS, pursuant to the Certificate Structure, the Underwriter will submit an offer to purchase each Series of Notes issued by the District and the notes issued by other Issuers participating in the same Series of Certificates all as evidenced and represented by such Series of Certificates (which offer will specify, as designated in the Pricing Confirmation applicable to the sale of such Series of Notes to be sold by the District, the principal amount, interest rate and Credit Instrument (if any)), and has submitted a form of certificate purchase agreement (such certificate purchase agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as, the "Certificate Purchase Agreement") to the Board; and

WHEREAS, pursuant to the Certificate Structure each participating Issuer will be responsible for its share of (i) the fees of the Trustee and the costs of issuing the applicable Series of Certificates, (ii) if applicable, the fees of the Credit Provider(s), and (iii) if applicable, the Issuer's allocable share of all Predefault Obligations and the Issuer's Reimbursement Obligations, if any (each as defined in the Trust Agreement); and

WHEREAS, the Certificate Structure requires that each participating Issuer approve the Trust Agreement, the alternative Credit Instruments and Credit Agreements, if any, and the Certificate Purchase Agreement in substantially the forms presented to the Board, with the final type of Credit Instrument and corresponding Credit Agreement determined in the Pricing Confirmation applicable to the sale of each Series of Notes to be sold by the District; and

WHEREAS, under the second structure (the "Bond Pool Structure"), participating Issuers would be required to sell each series of their tax and revenue anticipation notes to the California School Cash Reserve Program Authority (the "Authority") pursuant to note purchase agreements (such note purchase agreements, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as, the "Note Purchase Agreements"), each between such individual Issuer and the Authority, and dated as of the date of the Pricing Confirmation applicable to the sale of the individual Issuer's series of notes to be sold, a form of which has been submitted to the Board; and

WHEREAS, the Authority, pursuant to advice of the Underwriter and the Financial Advisor, will form one or more pools of notes of each participating Issuer (the "Pooled Notes") and assign each respective series of notes to a particular pool (the "Pool") and sell a series of senior bonds (each a "Series of Senior Bonds") and, if desirable, a corresponding series of

subordinate bonds (each a "Series of Subordinate Bonds" and collectively with a Series of Senior Bonds, a "Series of Pool Bonds") secured by each Pool pursuant to an indenture and/or a supplement thereto (the original indenture and each supplement thereto applicable to a Series of Pool Bonds to which the Note shall be assigned is hereinafter collectively referred to as the "Indenture") between the Authority and the Trustee, each Series of Pool Bonds distinguished by (i) whether or what type(s) of Credit Instrument(s) secure(s) such Series of Pool Bonds, (ii) the principal amounts or portions of principal amounts of the notes of such respective series assigned to the Pool, or (iii) other factors, and the District hereby acknowledges and approves the discretion of the Authority, acting upon the advice of the Underwriter and the Financial Advisor, to assign the District's Notes of such respective Series to such Pool and such Indenture as the Authority may determine; and

WHEREAS, at the time of execution of the Pricing Confirmation applicable to the sale of each Series of Notes to be sold by the District, the District will (in such Pricing Confirmation) request the Authority to issue a Series of Pool Bonds pursuant to an Indenture to which such Series of Notes identified in such Pricing Confirmation will be assigned by the Authority in its discretion, acting upon the advice of the Underwriter, which Series of Pool Bonds will be payable from payments of all or a portion of principal of and interest on such Series of Notes and the other respective series of notes of other participating Issuers assigned to the same Pool and assigned to the same Indenture to which the District's Series of Notes is assigned; and

WHEREAS, as additional security for the owners of each Series of Pool Bonds, all or a portion of the payments by all of the Issuers of the respective series of notes assigned to such Series of Pool Bonds may or may not be secured (by virtue or in form of the Series of Pool Bonds, as indicated in the Pricing Confirmation applicable to such Series of Pool Bonds, being secured in whole or in part) by one or more Credit Instruments issued by one or more Credit Providers designated in the applicable Indenture, as finally executed, pursuant to a Credit Agreement, if any, identified in the applicable Indenture, as finally executed, between, in the case of an irrevocable letter (or letters) of credit or policy (or policies) of insurance or other credit instrument (or instruments), the Issuers and the corresponding Credit Provider; and

WHEREAS, pursuant to the Bond Pool Structure each Issuer, whose series of notes is assigned to a Pool as security for a Series of Pool Bonds, will be responsible for its share of (i) the fees of the Trustee and the costs of issuing the applicable Series of Pool Bonds, (ii), if applicable, the fees of the Credit Provider(s), and (iii) if applicable, the Issuer's allocable share of all Predefault Obligations and the Issuer's Reimbursement Obligations, if any (each as defined in the Indenture) applicable to such Series of Pool Bonds; and

WHEREAS, the Bond Pool Structure requires that each participating Issuer approve the Indenture, the alternative Credit Instruments and Credit Agreements, if any, and the Note Purchase Agreement in substantially the forms presented to the Board, with the final type of Credit Instrument and corresponding Credit Agreement, if any, to be determined in the Pricing Confirmation applicable to the sale of each Series of Notes to be sold by the District; and

WHEREAS, pursuant to the Bond Pool Structure, the Underwriter will submit an offer to the Authority to purchase, in the case of each Pool of notes, the Series of Pool Bonds which will be secured by the Indenture to which such Pool will be assigned; and

WHEREAS, all or portions of the net proceeds of each Series of Notes issued by the District, may be invested in one or more Permitted Investments (as defined in the Trust Agreement or the Indenture, as applicable), including under one or more investment agreements with one or more investment providers (if any), the initial investment of which is to be determined in the Pricing Confirmation related to such Series of Notes; and

WHEREAS, it is necessary to engage the services of certain professionals to assist the District in its participation in the Program;

NOW, THEREFORE, the Board hereby finds, determines, declares and resolves as follows:

Section 1. Recitals. All the above recitals are true and correct and this Board so finds and determines.

Section 2. Issuance of Notes.

(A) Initial Issuance of Notes. This Board hereby determines to borrow, and hereby requests the Board of Supervisors of the County to borrow for the District, in anticipation of the receipt by or accrual to the District during Fiscal Year 2020-2021 of taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for such fiscal year for the general fund and, if so indicated in the applicable Pricing Confirmation, the capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation)[*] of the District, and not pursuant to any common plan of financing of the District, by the issuance by the Board of Supervisors of the County, in the name of the District, of Notes under Sections 53850 *et seq.* of the Act, designated generally as the District's "2020-2021 [Subordinate][**] Tax and Revenue Anticipation Notes, Series __" in one or more of the following Series, in order of priority of payment as described herein:

(1) the Series A Notes, being the initial Series of Notes issued under this Resolution, together with one or more Series of Additional Notes issued in accordance with the provisions of Section 2(B) hereof and payable on a parity with the Series A Notes (collectively, the "Senior Notes"); and

(2) one or more Series of Additional Notes issued in accordance with the provisions of Section 2(B) hereof and payable on a subordinate basis to (i) any Senior Notes, and (ii) any previously issued Subordinate Notes if so specified in the related Pricing Confirmation (collectively, the "Subordinate Notes"), which Subordinate Notes shall be identified as such.

Each such Series of Notes shall be issued in the form of one registered note at the principal amount thereof (the "Series Principal Amount") as set forth in the applicable Pricing Confirmation and all such Series Principal Amounts aggregating to the Principal Amount set forth in such Pricing Confirmations, in each case, to bear a series designation, to be dated the

[*] * For purposes of this Resolution, such funds shall be referred to as the "capital fund" and "special revenue fund."
[**] ** A Series of Notes shall bear the "Subordinate" designation if it is a Series of Subordinate Notes.

date of its respective delivery to the respective initial purchaser thereof, to mature (without option of prior redemption) not more than thirteen (13) months thereafter on a date indicated on the face thereof and determined in the Pricing Confirmation applicable to such Series of Notes (collectively, the "Maturity Date"), and to bear interest, payable at the applicable maturity (and, if the maturity is longer than twelve (12) months, an additional interest payment shall be payable within twelve (12) months of the issue date, as determined in the applicable Pricing Confirmation) and computed upon the basis of a 360-day year consisting of twelve 30-day months, at a rate not to exceed twelve percent (12%) per annum as determined in the Pricing Confirmation applicable to such Series of Notes and indicated on the face of such Series of Notes (collectively, the "Note Rate").

With respect to the Certificate Structure, if a Series of Notes as evidenced and represented by the corresponding Series of Certificates is secured in whole or in part by a Credit Instrument and is not paid at maturity or is paid (in whole or in part) by a draw under, payment by or claim upon a Credit Instrument which draw, payment or claim is not fully reimbursed on such date, such Series of Notes shall become a Defaulted Note (as defined in the Trust Agreement), and the unpaid portion thereof with respect to which a Credit Instrument applies for which reimbursement on a draw, payment or claim has not been fully made shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate (as defined in the Trust Agreement). If a Series of Notes as evidenced and represented by the corresponding Series of Certificates is unsecured in whole or in part and is not fully paid at the Maturity Date, the unpaid portion thereof (or the portion thereof to which no Credit Instrument applies which is unpaid) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate.

With respect to the Bond Pool Structure, if a Series of Pool Bonds issued in connection with a Series of Notes is secured in whole or in part by a Credit Instrument or such Credit Instrument secures the Series of Notes in whole or in part and all principal of and interest on such Series of Notes is not paid in full at maturity or payment of principal of and interest on such Series of Notes is paid (in whole or in part) by a draw under, payment by or claim upon a Credit Instrument which draw, payment or claim is not fully reimbursed on such date, such Series of Notes shall become a Defaulted Note (as defined in the Indenture), and the unpaid portion thereof with respect to which a Credit Instrument applies for which reimbursement on a draw, payment or claim has not been fully made shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate (as defined in the Indenture). If a Series of Notes or the Series of Pool Bonds issued in connection therewith is not so secured in whole or in part and such Series of Notes is not fully paid at the Maturity Date, the unpaid portion thereof (or the portion thereof to which no Credit Instrument applies which is unpaid) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate.

In each case set forth in the preceding two paragraphs, the obligation of the District with respect to such Defaulted Note or unpaid Series of Notes shall not be a debt or liability of the District prohibited by Article XVI, Section 18 of the California Constitution and the District shall not be liable thereon except to the extent of the income and revenue provided for Fiscal Year 2020-2021 within the meaning of Article XVI, Section 18 of the California Constitution, as provided in Section 8 hereof.

Both the principal of and interest on each Series of Notes shall be payable in lawful money of the United States of America, but only upon surrender thereof, at the corporate trust office of U.S. Bank National Association in Los Angeles, California, or as otherwise indicated in the Trust Agreement or the Indenture, as applicable. The Principal Amount may, prior to the issuance of any Series of Notes, be reduced from the Maximum Amount of Borrowing specified above, in the discretion of the Underwriter upon consultation with the Authorized Officer. The Principal Amount shall, prior to the issuance of the last Series of Notes, be reduced from the Maximum Amount of Borrowing specified above if and to the extent necessary to obtain an approving legal opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel") as to the legality thereof or, if applicable, the exclusion from gross income for federal tax purposes of interest thereon (or on any Series of Pool Bonds related thereto). The Principal Amount shall, prior to the issuance of the last Series of Notes, also be reduced from the Maximum Amount of Borrowing specified above, and other conditions shall be met by the District prior to the issuance of each Series of Notes, if and to the extent necessary to obtain from the Credit Provider that issues the Credit Instrument securing the corresponding Series of Certificates evidencing and representing such Series of Notes or the related Series of Pool Bonds to which such Series of Notes is assigned its agreement to issue the Credit Instrument securing such Series of Certificates or Series of Pool Bonds, as the case may be. Notwithstanding anything to the contrary contained herein, if applicable, the approval of the corresponding Credit Provider of the issuance of such Series of Notes and the decision of the Credit Provider to deliver the Credit Instrument shall be in the sole discretion of the Credit Provider, and nothing herein shall be construed to require the Credit Provider to issue a Credit Instrument or to approve the issuance of such Series of Notes.

In the event the Board of Supervisors of the County fails or refuses to authorize the issuance of the Notes within the time period specified in Section 53853 of the Act, following receipt of this Resolution, this Board hereby authorizes issuance of such Notes, in the District's name, in one or more series, pursuant to the terms stated in this Section 2 and the terms stated hereafter. The Notes, in one or more series, shall be issued in conjunction with the note or notes (in each case, in one or more series) of one or more other Issuers as part of the Program and within the meaning of Section 53853 of the Act.

(B) Issuance of Additional Notes. The District (or the County on its behalf, as applicable) may at any time issue pursuant to this Resolution, one or more Series of Additional Notes consisting of Senior Notes or Subordinate Notes (including Subordinate Notes that are further subordinated to previously issued Subordinate Notes, as provided in the applicable Pricing Confirmation), subject in each case to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Series of Additional Notes:

(1) The District shall not have issued any tax and revenue anticipation notes relating to the 2020-2021 fiscal year except (a) in connection with the Program under this Resolution, or (b) notes secured by a pledge of its Unrestricted Revenues (as defined in Section 8) that is subordinate in all respects to the pledge of its Unrestricted Revenues hereunder; the District shall be in compliance with all agreements and covenants contained herein; and no Event of Default shall have occurred and be continuing with respect to any such outstanding previously issued notes or Series of Notes.

(2) The aggregate Principal Amount of Notes issued and at any time outstanding hereunder shall not exceed any limit imposed by law, by this Resolution or by any resolution of the Board amending or supplementing this Resolution (each a "Supplemental Resolution").

(3) Whenever the District shall determine to issue, execute and deliver any Additional Notes pursuant to this Section 2(B), the Series Principal Amount of which, when added to the Series Principal Amounts of all Series of Notes previously issued by the District, would exceed the Maximum Amount of Borrowing authorized by this Resolution, the District shall adopt a Supplemental Resolution amending this Resolution to increase the Maximum Amount of Borrowing as appropriate and shall submit such Supplemental Resolution to the Board of Supervisors of the County as provided in Section 53850 *et seq.* of the Act with a request that the County issue such Series of Additional Notes in the name of the District as provided in Sections 2(A) and 9 hereof. The Supplemental Resolution may contain any other provision authorized or not prohibited by this Resolution relating to such Series of Additional Notes.

(4) The District may issue a Series of Additional Notes that are Senior Notes payable on a parity with all other Series of Senior Notes of the District or that are Subordinate Notes payable on a parity with one or more Series of outstanding Subordinate Notes, only if it obtains (a) the consent of each Credit Provider relating to each previously issued Series of Notes that will be on a parity with such Series of Additional Notes, and (b) evidence that no rating then in effect with respect to any outstanding Series of Certificates or Series of Bonds, as applicable, from a Rating Agency will be withdrawn, reduced, or suspended solely as a result of the issuance of such Series of Additional Notes (a "Rating Confirmation"). Except as provided in Section 8, the District may issue one or more Series of Additional Notes that are subordinate to all previously issued Series of Notes of the District without Credit Provider consent or a Rating Confirmation. The District may issue tax and revenue anticipation notes other than in connection with the Program under this Resolution only if such notes are secured by a pledge of its Unrestricted Revenues that is subordinate in all respects to the pledge of its Unrestricted Revenues hereunder.

(5) Before such Additional Notes shall be issued, the District shall file or cause to be filed the following documents with the Trustee:

(a) An Opinion of Counsel to the District to the effect that (A) such Additional Notes constitute the valid and binding obligations of the District, (B) such Additional Notes are special obligations of the District and are payable from the moneys pledged to the payment thereof in this Resolution, and (C) the applicable Supplemental Resolution, if any, has been duly adopted by the District.

(b) A certificate of the District certifying as to the incumbency of its officers and stating that the requirements of this Section 2(B) have been met.

(c) A certified copy of this Resolution and any applicable Supplemental Resolution.

(d) If this Resolution was amended by a Supplemental Resolution to increase the Maximum Amount of Borrowing, the resolution of the County Board of Supervisors approving such increase in the Maximum Amount of Borrowing and the issuance of such Additional Notes, or evidence that the County Board of Supervisors has elected to not issue such Additional Notes.

(e) An executed counterpart or duly authenticated copy of the applicable Certificate Purchase Agreement or Note Purchase Agreement.

(f) A Pricing Confirmation relating to the Series of Additional Notes duly executed by an Authorized Officer (as defined in Section 4).

(g) The Series of Additional Notes duly executed by the applicable County representatives as provided in Section 9 hereof, or executed by the applicable Authorized Officers of the District if the County shall have declined to issue the Series of Additional Notes in the name of the District, either in connection with the initial issuance of the Series A Notes or in connection with any Supplemental Resolution increasing the Maximum Amount of Borrowing.

(h) If the Additional Notes are to be parity Senior Notes or parity Subordinate Notes, the Credit Provider consent(s) and Rating Confirmation(s) required pursuant to paragraph (4) above.

Upon the delivery to the Trustee of the foregoing instruments and, if the Bond Pool Structure is implemented, satisfaction of the provisions of Section 2.12 of the Indenture with regard to the issuance of a corresponding Series of Additional Bonds (as defined therein), the Trustee shall authenticate and deliver said Additional Notes to, or upon the written request of, the District. Upon execution and delivery by the District and authentication by the Trustee, said Additional Notes shall be valid and binding obligations of the District notwithstanding any defects in satisfying any of the foregoing requirements.

(C) Debt Management Policy With Respect to Notes. Notwithstanding any other debt management policy of the District heretofore or hereafter adopted, the debt management policy of the District pertaining to each Series of Notes shall be consistent with, and the Board hereby approves, the following: (i) the proceeds of each Series of Notes may be used and expended by the District for any purpose for which the District is authorized to use and expend moneys, including but not limited to current expenses, capital expenditures, investment and reinvestment, and the discharge of any obligation or indebtedness of the District, as provided by Section 53852 of the Act; (ii) the debt that may be issued pursuant to this debt management policy is limited to each Series of Notes authorized under this Resolution; (iii) each Series of Notes shall be issued to manage the cash flow requirements of the District based on the District's budgetary needs and consistent with the limitations provided for in this Resolution; (iv) the objective of this debt management policy is to implement cost effective cash flow borrowing under the Program for Fiscal Year 2020-2021, whereby participating school districts, community college districts and county boards of education throughout the State of California will simultaneously issue tax and revenue anticipation notes; and (v) to ensure the proceeds of each Series of Notes will be directed to their intended use, moneys allocable to each Series of Notes from the sale of the

corresponding Series of Certificates or Pool Bonds, as applicable, net of the District's share of the costs of issuance, shall be deposited in the District's Proceeds Subaccount (as hereinafter defined) attributed to such Series of Notes and held and invested by the Trustee under the Trust Agreement or the Indenture, as applicable, for the District and said moneys may be used and expended by the District for such use upon requisition from such Proceeds Subaccount as specified in the Trust Agreement or the Indenture, as applicable. Any debt management policy adopted by the Board hereafter in contravention of the foregoing shall be deemed to modify the authorization contained herein only if it shall specifically reference this Resolution and Section. With the passage of this Resolution, the Board hereby certifies that the District has adopted local debt policies with respect to each Series of Notes issued pursuant to this Resolution that comply with California Government Code Section 8855(i), and that the Notes authorized to be issued pursuant to this Resolution are consistent with such policies, and instructs Bond Counsel (as hereinafter defined) to check on behalf of the District the "Yes" box relating thereto in the Report of Proposed Debt Issuance filed pursuant to California Government Code Section 8855 with respect to each Series of Notes issued pursuant to this Resolution.

Section 3. Form of Notes. Each Series of the Notes shall be issued in fully registered form without coupons and shall be substantially in the form and substance set forth in Exhibit A, attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures.

Section 4. Sale of Notes; Delegation. Any one of the President or Chairperson of the Board, the Superintendent, the Assistant Superintendent for Business, the Assistant Superintendent for Administrative Services, the business manager, director of business or fiscal services or chief financial/business officer of the District, as the case may be, or, in the absence of said officer, his or her duly appointed assistant (each an "Authorized Officer"), is hereby authorized and directed to negotiate, with the Underwriter (if the Certificate Structure is implemented) or the Authority (if the Bond Pool Structure is implemented), an interest rate or rates on each Series of the Notes to the stated maturity or maturities thereof, which shall not, in any individual case, exceed twelve percent (12%) per annum (per Series of Notes), and the purchase price to be paid by the Underwriter or the Authority, as applicable, for the respective Series of the Notes, which purchase price shall be at a discount which when added to the District's share of the costs of issuance shall not be more than the greater of (a) one percent (1%) of (i) the Principal Amount of the Note, if only one Series of Notes is issued or (ii) the Series Principal Amount of each individual Series of Notes, if more than one series is issued, or (b) five thousand dollars ($5,000). If such interest rate and price and other terms of the sale of the Series of Notes set out in the Pricing Confirmation applicable to such Series of Notes are acceptable to said Authorized Officer, said Authorized Officer is hereby further authorized and directed to execute and deliver the pricing confirmation supplement applicable to such Series of Notes to be delivered by the Underwriter (on behalf of itself, if the Certificate Structure is implemented and on behalf of the Authority, if the Bond Pool Structure is implemented) to the District on a date within five (5) days, or such longer period of time as agreed by the Underwriter or the Authority, as applicable, of said negotiation of interest rates and purchase price during the period from May 1, 2020 (or the date of adoption of this Resolution if after May 1, 2020) through June 15, 2021 (the "Pricing Confirmation"), substantially in the form presented to this meeting as Schedule I to the Certificate Purchase Agreement or the Note Purchase Agreement, as applicable, with such changes therein as said Authorized Officer shall require or approve, and

such other documents or certificates required to be executed and delivered thereunder or to consummate the transactions contemplated hereby or thereby, for and in the name and on behalf of the District, such approval by this Board and such officer to be conclusively evidenced by such execution and delivery. In the event more than one Series of Notes are issued, a separate Pricing Confirmation shall be executed and delivered corresponding to each Series of Notes. Any Authorized Officer is hereby further authorized to execute and deliver, prior to the execution and delivery of the Pricing Confirmation applicable to a Series of Notes, the Certificate Purchase Agreement or the Note Purchase Agreement applicable to such Series of Notes, substantially in the forms presented to this meeting, which forms are hereby approved, with such changes therein as said officer shall require or approve, such approval to be conclusively evidenced by such execution and delivery; provided, however, that any such Certificate Purchase Agreement or Note Purchase Agreement shall not be effective and binding on the District until the execution and delivery of the corresponding Pricing Confirmation. Delivery of a Pricing Confirmation by fax or telecopy of an executed copy shall be deemed effective execution and delivery for all purposes. If requested by said Authorized Officer at his or her option, any duly authorized deputy or assistant of such Authorized Officer may approve said interest rate or rates and price by execution of the Certificate Purchase Agreement or the Note Purchase Agreement(s), as applicable, and/or the corresponding Pricing Confirmation(s).

Section 5. Program Approval. The District hereby delegates to the Authority the authority to select which structure (*i.e.,* the Certificate Structure or the Bond Pool Structure) shall be implemented, with the Authorized Officer of the District accepting and approving such selection by execution of the applicable Pricing Confirmation.

(A) Certificate Structure. If the Certificate Structure is implemented, each Series of Notes of the District shall be combined with notes of other Issuers into a Series of Certificates as set forth in general terms in the Pricing Confirmation (which need not include specific information about such other notes or Issuers) applicable to such Series of Notes, and shall be marketed and sold simultaneously with such other notes of that Series with such credit support (if any) referred to in the Pricing Confirmation, and shall be evidenced and represented by the Certificates which shall evidence and represent proportionate, undivided interests in such Series of Notes in the proportion that the face amount of such Series of Notes bears to the total aggregate face amount of such Series of Notes and the notes issued by other Issuers which the Series of Certificates represent. Such Certificates may be delivered in book-entry form.

The District hereby delegates to the Authority the authority to select the Credit Instrument(s), Credit Provider(s) and Credit Agreement(s), if any, for each Series of Certificates which evidences and represents interests of the owners thereof in the related Series of Notes of the District and the notes issued by other Issuers evidenced and represented by such Series of Certificates, all of which shall be identified in, and approved by the Authorized Officer of the District executing, the Pricing Confirmation for such Series of Notes, the Trust Agreement and the Credit Agreement(s) (if any), for and in the name and on behalf of the District, such approval of such officer to be conclusively evidenced by the execution of the Pricing Confirmation, the Trust Agreement and the Credit Agreement(s) (if any).

The form of Trust Agreement, alternative general types of Credit Instruments and forms of Credit Agreements, if any, presented to this meeting are hereby approved, and each

Authorized Officer is hereby authorized and directed to execute and deliver the Trust Agreement and the Credit Agreement(s), if applicable, which shall be identified in the Pricing Confirmation for the related Series of Notes, in substantially one or more of said forms (a substantially final form of Credit Agreement to be delivered to such Authorized Officer concurrent with the Pricing Confirmation), with such changes therein as said officer shall require or approve, such approval of this Board and such officer to be conclusively evidenced by the execution of the Trust Agreement, Credit Agreement(s) and Pricing Confirmation, respectively.

The form of the Preliminary Official Statement presented to this meeting is hereby approved, and the Underwriter is hereby authorized to distribute the Preliminary Official Statement in connection with the offering and sale of each Series of Certificates. Each Authorized Officer is hereby authorized and directed to provide the Underwriter with such information relating to the District as the Underwriter shall reasonably request for inclusion in the Preliminary Official Statement for each Series of Certificates. Upon inclusion of the information relating to the District therein, the Preliminary Official Statement for the applicable Series of Certificates shall be, except for certain omissions permitted by Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), deemed final within the meaning of the Rule; provided that no representation is made as to the information contained in a Preliminary Official Statement relating to the other Issuers or any Credit Provider, and the Authority is hereby authorized to certify on behalf of the District that each Preliminary Official Statement is, as of its date, deemed final within the meaning of the Rule. If, at any time prior to the execution of a Pricing Confirmation, any event occurs as a result of which the information contained in the related Preliminary Official Statement relating to the District might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Underwriter. The Authority is hereby authorized and directed, at or after the time of the sale of any Series of Certificates, for and in the name and on behalf of the District, to execute a final Official Statement in substantially the form of the Preliminary Official Statement presented to this meeting, with such additions thereto or changes therein as the Authority may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The Trustee is authorized and directed to execute each Series of Certificates on behalf of the District pursuant to the terms and conditions set forth in the related Trust Agreement, in the aggregate principal amount specified in the Trust Agreement, and substantially in the form and otherwise containing the provisions set forth in the form of the Certificate contained in the Trust Agreement. When so executed, each Series of Certificates shall be delivered by the Trustee to the Underwriter upon payment of the purchase price thereof, pursuant to the terms of the Trust Agreement and the applicable Certificate Purchase Agreement.

Subject to Section 8 hereof, the District hereby agrees that if a Series of Notes as evidenced and represented by a Series of Certificates shall become a Defaulted Note, the unpaid portion thereof or the portion to which a Credit Instrument applies for which full reimbursement on a draw, payment or claim has not been made by the Maturity Date shall be deemed outstanding and shall not be deemed to be paid until (i) the Credit Provider providing a Credit Instrument with respect to such Series of Certificates, and therefore, if applicable, all or a portion of such Series of Notes, if any, has been reimbursed for any drawings, payments or claims made

under the Credit Instrument with respect to such Series of Notes, including interest accrued thereon, as provided therein and in the applicable Credit Agreement, and (ii) the holders of the Series of Certificates which evidence and represent such Series of Notes are paid the full principal amount represented by the unsecured portion of such Series of Notes plus interest accrued thereon (calculated at the Default Rate) to the date of deposit of such aggregate required amount with the Trustee. For purposes of clause (ii) of the preceding sentence, holders of the applicable Series of Certificates will be deemed to have received such principal amount and such accrued interest upon deposit of such moneys with the Trustee.

The District agrees to pay or cause to be paid, in addition to the amounts payable under each Series of Notes, any fees or expenses of the Trustee and, to the extent permitted by law, if such Series of Notes as evidenced and represented by the related Series of Certificates is secured in whole or in part by a Credit Instrument, any Predefault Obligations and Reimbursement Obligations (to the extent not payable under such Series of Notes), (i) arising out of an "Event of Default" hereunder or (ii) arising out of any other event (other than an event arising solely as a result of or otherwise attributable to a default by any other Issuer). In the case described in (ii) above with respect to Predefault Obligations, the District shall owe only the percentage of such fees, expenses and Predefault Obligations equal to the ratio of the Principal Amount (or Series Principal Amount as applicable) of its Series of Notes over the aggregate Principal Amounts (or Series Principal Amounts, as applicable) of all series of notes, including such Series of Notes, of the Series of Certificates of which such Series of Notes is a part, at the time of original issuance of such Series of Certificates. Such additional amounts will be paid by the District within twenty-five (25) days of receipt by the District of a bill therefor from the Trustee.

If the Certificate Structure is implemented, any Authorized Officer is hereby authorized to execute and deliver any Information Return for Tax-Exempt Governmental Obligations, Form 8038-G of the Internal Revenue Service ("Form 8038-G"), in connection with the issuance of a Tax-Exempt (as defined in Section 7) Series of Notes and the related Series of Certificates. To the extent permitted by law, the Authority, the Trustee, the Underwriter, the Financial Advisor and Bond Counsel are each hereby authorized to execute and deliver any Form 8038-G for and on behalf of the District in connection with the issuance of a Tax-Exempt Series of Notes and the related Series of Certificates, as directed by an Authorized Officer of the District.

(B) Bond Pool Structure. If the Bond Pool Structure is implemented, the Pricing Confirmation for a Series of Notes may, but shall not be required to, specify the Series of Pool Bonds to which such Series of Notes will be assigned (but need not include information about other series of notes assigned to the same pool or their Issuers).

The District hereby delegates to the Authority the authority to select the Credit Instrument(s), Credit Provider(s) and Credit Agreement(s), if any, for each Series of Senior Bonds and corresponding Series of Subordinate Bonds, if any, to which each Series of Notes issued by the District will be assigned, all of which shall be identified in, and approved by the Authorized Officer of the District executing, the Pricing Confirmation for such Series of Notes and the Credit Agreement(s) (if any), for and in the name and on behalf of the District, such approval of such officer to be conclusively evidenced by the execution of the Pricing Confirmation and the Credit Agreement(s) (if any).

The alternative general types of Credit Instruments and the forms of Credit Agreements, if any, presented to this meeting are hereby approved, and each Authorized Officer is hereby authorized and directed to execute and deliver a Credit Agreement(s), if any, which shall be identified in the Pricing Confirmation for the related Series of Notes, in substantially one or more of said forms (a substantially final form of Credit Agreement to be delivered to such Authorized Officer concurrent with the Pricing Confirmation), with such changes therein as said officer shall require or approve, such approval of this Board and such officer to be conclusively evidenced by the execution of the Credit Agreement and Pricing Confirmation, respectively.

The form of Indenture presented to this meeting is hereby acknowledged and approved, and it is acknowledged that the Authority will execute and deliver the Indenture and one or more Supplemental Indentures, which shall be identified in the Pricing Confirmation applicable to the Series of Notes to be issued, in substantially one or more of said forms with such changes therein as the Authorized Officer who executes such Pricing Confirmation shall require or approve (substantially final forms of the Indenture and the Supplemental Indenture (if applicable) to be delivered to the Authorized Officer concurrently with the Pricing Confirmation applicable to the Series of Notes to be issued), such approval of such Authorized Officer and this Board to be conclusively evidenced by the execution of the Pricing Confirmation applicable to such Series of Notes. It is acknowledged that the Authority is authorized and requested to issue one or more Series of Pool Bonds (consisting of a Series of Senior Bonds and, if desirable, a corresponding Series of Subordinate Bonds) pursuant to and as provided in the Indenture as finally executed and, if applicable, each Supplemental Indenture as finally executed.

Each Authorized Officer is hereby authorized and directed to provide the Underwriter with such information relating to the District as the Underwriter shall reasonably request for inclusion in the Preliminary Official Statement(s) and Official Statement(s) of the Authority relating to a Series of Pool Bonds. If, at any time prior to the execution of a Pricing Confirmation, any event occurs as a result of which the information contained in the corresponding Preliminary Official Statement or other offering document relating to the District might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Underwriter.

Subject to Section 8 hereof, the District hereby agrees that if a Series of Notes shall become a Defaulted Note, the unpaid portion thereof or the portion to which a Credit Instrument applies for which full reimbursement on a draw, payment or claim has not been made by the Maturity Date shall be deemed outstanding and shall not be deemed to be paid until (i) any Credit Provider providing a Credit Instrument with respect to such Series of Notes or the Series of Pool Bonds issued in connection with such Series of Notes, has been reimbursed for any drawings, payments or claims made under the Credit Instrument with respect to such Series of Notes, including interest accrued thereon, as provided therein and in the applicable Credit Agreement, and (ii) the holders of such Series of Notes or the Series of the Pool Bonds issued in connection with such Series of Notes are paid the full principal amount represented by the unsecured portion of such Series of Notes plus interest accrued thereon (calculated at the Default Rate) to the date of deposit of such aggregate required amount with the Trustee. For purposes of clause (ii) of the preceding sentence, holders of such Series of Pool Bonds will be deemed to

have received such principal amount and such accrued interest upon deposit of such moneys with the Trustee.

The District agrees to pay or cause to be paid, in addition to the amounts payable under each Series of Notes, any fees or expenses of the Trustee and, to the extent permitted by law, if such Series of Notes is secured in whole or in part by a Credit Instrument (by virtue of the fact that the corresponding Series of Pool Bonds is secured by a Credit Instrument), any Predefault Obligations and Reimbursement Obligations (to the extent not payable under such Series of Notes), (i) arising out of an "Event of Default" hereunder or (ii) arising out of any other event (other than an event arising solely as a result of or otherwise attributable to a default by any other Issuer). In the case described in (ii) above with respect to Predefault Obligations, the District shall owe only the percentage of such fees, expenses and Predefault Obligations equal to the ratio of the Principal Amount (or Series Principal Amount as applicable) of its Series of Notes over the aggregate Principal Amounts (or Series Principal Amounts, as applicable) of all series of notes, including such Series of Notes, assigned to the Series of Pool Bonds issued in connection with such Series of Notes, at the time of original issuance of such Series of Pool Bonds. Such additional amounts will be paid by the District within twenty-five (25) days of receipt by the District of a bill therefor from the Trustee.

(C) Appointment of Professionals. Dale Scott & Company (and/or such other firm or firms as shall be selected by the Authority as designated in the applicable Pricing Confirmation and approved and accepted by an Authorized Officer by the execution of such Pricing Confirmation) is hereby appointed and/or approved as financial advisor for the Program, the law firm of Orrick, Herrington & Sutcliffe LLP (and/or such other firm or firms as shall be selected by the Authority as designated in the applicable Pricing Confirmation and approved and accepted by an Authorized Officer by the execution of such Pricing Confirmation) is hereby appointed and/or approved as bond counsel for the Program, Piper Sandler & Co. (and/or such other firm or firms as shall be selected by the Authority as designated in the applicable Pricing Confirmation and approved and accepted by an Authorized Officer by the execution of such Pricing Confirmation) is hereby appointed and/or approved as underwriter for the Program and the law firm of Kutak Rock LLP (and/or such other firm or firms as shall be selected by the Authority as designated in the applicable Pricing Confirmation and approved and accepted by an Authorized Officer by the execution of such Pricing Confirmation) is hereby appointed and/or approved as special counsel to the District in connection with the Program.

Section 6. No Joint Obligation.

(A) Certificate Structure. If the Certificate Structure is implemented, each Series of Notes of the District shall be marketed and sold simultaneously with the notes of other Issuers and shall be aggregated and combined with such notes of other Issuers participating in the Program into a Series of Certificates evidencing and representing an interest in several, and not joint, obligations of each Issuer. The obligation of the District to owners of a Series of Certificates is a several and not a joint obligation and is strictly limited to the District's repayment obligation under this Resolution, the resolution of the County providing for the issuance of the Note, if applicable, and the applicable Series of Notes as evidenced and represented by such Series of Certificates. Owners of Certificates, to the extent of their interest in a Series of Notes, shall be treated as owners of such Series of Notes and shall be entitled to all

the rights and security thereof; including the right to enforce the obligations and covenants contained in this Resolution and such Series of Notes. The District hereby recognizes the right of the owners of a Series of Certificates acting directly or through the Trustee to enforce the obligations and covenants contained in the Series of Notes evidenced and represented thereby, this Resolution and the Trust Agreement. The District shall be directly obligated to each owner of a Series of Certificates for the principal and interest payments on the Series of Notes evidenced and represented by such Certificates without any right of counterclaim or offset arising out of any act or failure to act on the part of the Trustee.

(B) Bond Pool Structure. If the Bond Pool Structure is implemented, each Series of Notes will be issued in conjunction with a series of notes of one or more other Issuers and will be assigned to a Pool in order to secure a corresponding Series of Pool Bonds. In all cases, the obligation of the District to make payments on or in respect to each Series of its Notes is a several and not a joint obligation and is strictly limited to the District's repayment obligation under this Resolution, the resolution of the County providing for the issuance of the Note, if applicable, and such Series of Notes.

Section 7. Disposition of Proceeds of Notes. The moneys received from the sale of each Series of Notes evidenced and represented by a Series of Certificates or each Series of Pool Bonds issued in connection with a Series of Notes, as the case may be, allocable to the District's share of the costs of issuance (which shall include any fees and expenses in connection with the related Credit Instrument(s) applicable to such Series of Notes or Series of Pool Bonds) shall be deposited in an account in the Costs of Issuance Fund established for such Series of Notes or such Series of Pool Bonds, as applicable, and held and invested by the Trustee under the Trust Agreement or the Indenture, as applicable, and expended as directed by the Financial Advisor (if the Certificate Structure is implemented) or the Authority (if the Bond Pool Structure is implemented) on Costs of Issuance as provided in the Trust Agreement or the Indenture, as applicable. The moneys allocable to each Series of Notes from the sale of the corresponding Series of Certificates or Pool Bonds, as applicable, net of the District's share of the costs of issuance, is hereby designated the "Deposit to Proceeds Subaccount" and shall be deposited in the District's Proceeds Subaccount attributed to such Series of Notes hereby authorized to be created pursuant to, and held and invested by the Trustee under, the Trust Agreement or the Indenture, as applicable, for the District and said moneys may be used and expended by the District for any purpose for which it is authorized to use and expend moneys, upon requisition from such Proceeds Subaccount as specified in the Trust Agreement or the Indenture, as applicable. The Pricing Confirmation applicable to each Series of Notes shall set forth such amount of the Deposit to Proceeds Subaccount. Each Authorized Officer is hereby authorized to approve the amount of such Deposit to Proceeds Subaccount. Subject to Section 8 hereof, the District hereby covenants and agrees to replenish amounts on deposit in each Proceeds Subaccount attributed to a Series of its Note to the extent practicable from any source of available funds up to an amount equal to the unreplenished withdrawals from such Proceeds Subaccount.

The Trustee shall transfer to each Payment Account (hereinafter defined) relating to a Series of Notes from amounts on deposit in the related Proceeds Subaccount attributed to such Series of Notes on the first day of each Repayment Period (as defined hereinafter) (or such other day of each Repayment Period designated in the Pricing Confirmation applicable to a Series of

Notes), amounts which, taking into consideration anticipated earnings thereon to be received by the Maturity Date, are equal to the percentages of the principal and interest due with respect to such Series of Notes at maturity for the corresponding Repayment Period set forth in such Pricing Confirmation; provided, however, that on the twentieth day of the next to last Repayment Period designated in such Pricing Confirmation (or such other day designated in the Pricing Confirmation applicable to a Series of Notes), or, if only one Repayment Period is applicable to a Series of Notes, on the twentieth day of the month preceding the Repayment Period designated in such Pricing Confirmation (or such other day designated in the Pricing Confirmation applicable to a Series of Notes), the Trustee shall transfer all remaining amounts in the Proceeds Subaccount attributed to the Series of Notes to the related Payment Account all as and to the extent provided in the Trust Agreement or the Indenture, as applicable; provided, however, that with respect to the transfer in or prior to any such Repayment Period, as applicable, if said amount in the Proceeds Subaccount attributed to a Series of Notes is less than the corresponding percentage set forth in the Pricing Confirmation applicable to the related Series of Notes of the principal and interest due with respect to such Series of Notes at maturity, the Trustee shall transfer to the related Payment Account attributed to such Series of Notes of the District all amounts on deposit in the Proceeds Subaccount attributed to such Series of Notes on the day designated for such Repayment Period.

For Notes issued in calendar year 2020 and issued as Tax-Exempt (or the related Series of Pool Bonds are issued as Tax-Exempt), in the event either (A) the Series Principal Amount of such Notes, together with the aggregate amount of all tax-exempt obligations (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2020, will, at the time of the issuance of such Notes (as indicated in the certificate of the District executed as of the date of issuance of such Notes (each "District Certificate")) exceed fifteen million dollars ($15,000,000), or (B) the Series Principal Amount of such Notes, together with the aggregate amount of all tax-exempt obligations not used to finance school construction (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2020, will, at the time of the issuance of such Notes (as indicated in the related District Certificate), exceed five million dollars ($5,000,000), the second following paragraph will apply. In such case, the District shall be deemed a "Safe Harbor Issuer" with respect to such Notes.

For Notes issued in calendar year 2021 and issued as Tax-Exempt (or the related Series of Pool Bonds are issued as Tax-Exempt), in the event either (A) the Series Principal Amount of such Notes, together with the aggregate amount of all tax-exempt obligations (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2021, will, at the time of the issuance of such Notes (as indicated in the certificate of the District executed as of the date of issuance of such Notes (each "District Certificate")) exceed fifteen million dollars ($15,000,000), or (B) the Series Principal Amount of such Notes, together with the aggregate amount of all tax-exempt obligations not used to finance school construction (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2021, will, at the time of the issuance of such Notes (as indicated in the related District Certificate), exceed five

million dollars ($5,000,000), the following paragraph will apply. In such case, the District shall be deemed a "Safe Harbor Issuer" with respect to such Notes.

Amounts in any Proceeds Subaccount relating to a Tax-Exempt Series of Notes of the District (or any Tax-Exempt Series of Pool Bonds related thereto) and attributable to cash flow borrowing shall be withdrawn and expended by the District for any purpose for which the District is authorized to expend funds from the general fund of the District, but, with respect to general fund expenditures, only to the extent that on the date of any withdrawal no other funds are available for such purposes without legislation or judicial action or without a legislative, judicial or contractual requirement that such funds be reimbursed. If on no date that is within six months from the date of issuance of each Tax-Exempt Series of Notes (or any Tax-Exempt Series of Pool Bonds related thereto), the balance in the related Proceeds Subaccount attributable to cash flow borrowing and treated for federal tax purposes as proceeds of such Tax-Exempt Series of Notes (or such Tax-Exempt Series of Pool Bonds) is low enough so that the amounts in the Proceeds Subaccount attributable to such Tax-Exempt Series of Notes (or such Tax-Exempt Series of Pool Bonds) qualify for an exception from the rebate requirements (the "Rebate Requirements") of Section 148 of the Internal Revenue Code of 1986 (the "Code"), the District shall promptly notify the Trustee in writing and, to the extent of its power and authority, comply with instructions from Orrick, Herrington & Sutcliffe LLP, Bond Counsel, supplied to it by the Trustee as the means of satisfying the Rebate Requirements.

The term "Tax-Exempt" shall mean, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes pursuant to Section 103 of the Code, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code. Each Series of Notes issued hereunder (or any Series of Pool Bonds related thereto) may be issued as a Tax-Exempt Series of Notes (or Tax-Exempt Series of Pool Bonds) or such that the interest on such Series of Notes (or such Series of Pool Bonds) is not Tax-Exempt.

Section 8. Source of Payment.

(A) Pledge. The term "Unrestricted Revenues" shall mean the taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for Fiscal Year 2020-2021 which will be received by or will accrue to the District during such fiscal year for the general fund and, if so indicated in a Pricing Confirmation, capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation) of the District and which are lawfully available for the payment of current expenses and other obligations of the District. As security for the payment of the principal of and interest on all Series of Notes issued hereunder, subject to the payment priority provisions of Section 17 hereof and this Section 8, the District hereby pledges the first Unrestricted Revenues to be received by the District in the periods specified in each Pricing Confirmation as Repayment Periods (each individual period a "Repayment Period" and collectively "Repayment Periods"), in an amount equal to the percentages of the principal and interest due with respect to each Series of Notes at maturity for the corresponding Repayment Period specified in such Pricing Confirmations (the "Pledged Revenues").

(B) Lien and Charge. As provided in Section 53856 of the Act, all Series of Notes issued hereunder and the interest thereon, subject to the payment priority provisions of Section 17 hereof and this Section 8, shall be a first lien and charge against, and shall be payable from the first moneys received by the District from, the Pledged Revenues.

(C) General Obligation. As provided in Section 53857 of the Act, notwithstanding the provisions of Section 53856 of the Act and of subsection (B) of this Section, all Series of Notes issued hereunder shall be general obligations of the District and, in the event that on the tenth Business Day (as defined in the Trust Agreement or the Indenture, as applicable) of each such Repayment Period (or such other day of each Repayment Period designated in the Pricing Confirmation applicable to a Series of Notes) the District has not received sufficient Unrestricted Revenues to permit the deposit into each Payment Account of the full amount of Pledged Revenues to be deposited therein from said Unrestricted Revenues in such Repayment Period, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of all Series of Notes and the interest thereon, as and when such other moneys are received or are otherwise legally available, in the following order of priority: first, to satisfy pro-rata any deficiencies attributable to any Series of Senior Notes; second, to satisfy pro-rata any deficiencies attributable to any Series of Subordinate Notes (except for any Series of Subordinate Notes described in the next clause); and thereafter, to satisfy any deficiencies attributable to any other Series of Subordinate Notes that shall have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, in such order of priority.

(D) Payment Accounts. In order to effect, in part, the pledge provided for in subsection (A) of this Section, the District agrees to the establishment and maintenance as a special fund of the District of a separate Payment Account for each Series of Notes issued hereunder (each a "Payment Account") by the Trustee under the Trust Agreement or the Indenture, as applicable, and the Trustee is hereby appointed as the responsible agent to maintain such fund until the payment of the principal of the corresponding Series of Notes and the interest thereon, and the District hereby covenants and agrees to cause to be deposited directly in each Payment Account (and shall request specific amounts from the District's funds on deposit with the County Treasurer for such purpose) a pro-rata share (as provided below) of the first Unrestricted Revenues received in each Repayment Period specified in the Pricing Confirmation(s) and any Unrestricted Revenues received thereafter until the amount on deposit in each Payment Account, taking into consideration anticipated investment earnings thereon to be received by the Maturity Date applicable to the respective Series of Notes (as set forth in a certificate from the Financial Advisor to the Trustee), is equal in the respective Repayment Periods identified in the Pricing Confirmation applicable to such Series of Notes to the percentages of the principal of and interest due with respect to such Series of Notes at maturity specified in the Pricing Confirmation applicable to such Series of Notes; provided that such deposits shall be made in the following order of priority: first, pro-rata to the Payment Account(s) attributable to any applicable Series of Senior Notes; second, pro-rata to the Payment Account(s) attributable to any applicable Series of Subordinate Notes (except for any Series of Subordinate Notes described in the next clause); and thereafter, to the Payment Account(s) attributable to any other applicable Series of Subordinate Notes that shall have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, in such order of priority.

Subject to the payment priority provisions of Section 17 hereof and this Section 8, any moneys placed in the Payment Account attributed to a Series of Notes shall be for the benefit of (i) the owners of the applicable Series of Certificates if the Certificate Structure is implemented and the holders of the Series of Pool Bonds issued in connection with the Pool of which such Series of Notes is a part if the Bond Pool Structure is implemented, and (ii) (to the extent provided in the Trust Agreement or the Indenture, as applicable) the Credit Provider(s), if any. Subject to the payment priority provisions of Section 17 hereof and this Section 8, the moneys in the Payment Account attributed to the Series of Notes shall be applied only for the purposes for which the Payment Account is created until the principal of such Series of Notes and all interest thereon are paid or until provision has been made for the payment of the principal of such Series of Notes at maturity of such Series of Notes with interest to maturity (in accordance with the requirements for defeasance of the related Series of Certificates or Series of Bonds, as applicable, as set forth in the Trust Agreement or the Indenture, as applicable) and, if applicable (to the extent provided in the Trust Agreement or the Indenture, as applicable, and, if applicable, the corresponding Credit Agreement), the payment of all Predefault Obligations and Reimbursement Obligations owing to the corresponding Credit Provider.

(E) Determination of Repayment Periods. With respect to each Series of Notes, the length of any individual Repayment Period determined in the related Pricing Confirmation shall not exceed the greater of three (3) consecutive calendar months or ninety (90) days and the number of Repayment Periods determined in the related Pricing Confirmation shall not exceed six (6); provided, however, that (1) the first Repayment Period of any Series of Subordinate Notes shall not occur prior to the end of the last Repayment Period of any outstanding Series of Notes of a higher priority without the consent of each Credit Provider for such outstanding Notes; and (2) if the first Repayment Period of any Series of Subordinate Notes overlaps the last Repayment Period of any outstanding Series of Notes of a higher priority, no deposits shall be made in the Payment Account of such Subordinate Notes until all required amounts shall have been deposited into the Payment Account(s) of all outstanding Series of Notes of a higher priority without the consent of each Credit Provider for such outstanding Notes. Any Authorized Officer is hereby authorized to approve the determination of the Repayment Periods and percentages of the principal and interest due with respect to each Series of Notes at maturity required to be on deposit in the related Payment Account in each Repayment Period, all as specified in the Pricing Confirmation applicable to such Series of Notes, by executing and delivering the Pricing Confirmation applicable to such Series of Notes, such execution and delivery to be conclusive evidence of approval by this Board and such Authorized Officer.

(F) Application of Moneys in Payment Accounts. On any interest payment date (if different from the Maturity Date) and on the Maturity Date of a Series of Notes, the moneys in the Payment Account attributed to such Series of Notes shall be transferred by the Trustee, to the extent necessary, to pay, in the case of an interest payment date, the interest, and in the case of the Maturity Date, the principal of and interest with respect to such Series of Notes or to reimburse the Credit Provider(s) for payments made under or pursuant to the Credit Instrument(s), subject to the payment priority provisions of Section 17 hereof and this Section 8. In the event that moneys in the Payment Account attributed to any Series of Notes are insufficient to pay the principal of and/or interest with respect to such Series of Notes in full on an interest payment date and/or the Maturity Date, moneys in such Payment Account together

with moneys in the Payment Accounts of all other outstanding Series of Notes issued by the District shall be applied in the following priority:

(1) with respect to all Series of Senior Notes:

a. first, to pay interest with respect to all Series of Senior Notes pro-rata;

b. second, (if on the Maturity Date) to pay principal of all Series of Senior Notes pro-rata;

c. third, to reimburse each Credit Provider for payment, if any, of interest with respect to all Series of Senior Notes pro-rata (or on such other basis as set for in the Trust Agreement or the Indenture, as applicable);

d. fourth, to reimburse each Credit Provider for payment, if any, of principal with respect to all Series of Senior Notes pro-rata (or on such other basis as set for in the Trust Agreement or the Indenture, as applicable);

e. fifth, to pay pro-rata (or on such other basis as set for in the Trust Agreement or the Indenture, as applicable) any Reimbursement Obligations of the District and any of the District's pro rata share of Predefault Obligations owing to each Credit Provider relating to all Series of Senior Notes, as applicable;

(2) then, with respect to all Series of Subordinate Notes (except for any Series of Subordinate Notes described in paragraph (3) below), to make the pro-rata payments corresponding to each such Series of Subordinate Notes equivalent to the payments described above in paragraphs (1)(a) through (e), in such order;

(3) then, with respect to all other Series of Subordinate Notes that have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, to make the pro-rata payments corresponding to each such Series of Subordinate Notes equivalent to the payments described above in paragraphs (1)(a) through (e), in such order; and

(4) lastly, to pay any other Costs of Issuance not previously disbursed.

Any moneys remaining in or accruing to the Payment Account attributed to each such Series of Notes after the principal of all the Series of Notes and the interest thereon and any Predefault Obligations and Reimbursement Obligations, if applicable, and obligation, if any, to pay any rebate amounts in accordance with the provisions of the Trust Agreement or the Indenture, as applicable, have been paid, or provision for such payment has been made, if any, shall be transferred by the Trustee to the District, subject to any other disposition required by the Trust Agreement, the Indenture or the related Credit Agreement(s), as applicable.

Nothing herein shall be deemed to relieve the District from its obligation to pay its Note of any Series in full on the applicable Maturity Date(s).

(G) Investment of Moneys in Proceeds Subaccounts and Payment Accounts. Moneys in the Proceeds Subaccount attributed to each Series of Notes and the Payment Account attributed to such Series of Notes shall be invested by the Trustee pursuant to the Trust Agreement or the Indenture, as applicable, in an investment agreement or agreements and/or other Permitted Investments as described in and under the terms of the Trust Agreement or the Indenture, as applicable, and as designated in the Pricing Confirmation applicable to such Series of Notes. The type of initial investments to be applicable to the proceeds of the Series of Notes shall be determined by the District as designated in the Pricing Confirmation applicable to such Series of Notes. In the event the District designates an investment agreement or investment agreements as the investments, the District hereby appoints the bidding agent designated in the Pricing Confirmation (the "Bidding Agent") as its designee as a party authorized to solicit bids on or negotiate the terms of the investment agreement or investment agreements and hereby authorizes and directs the Trustee to invest such funds pursuant to such investment agreement or investment agreements (which (i) shall be with a provider or providers, or with a provider or providers whose obligations are guaranteed or insured by a financial entity, the senior debt or investment contracts or obligations under its investment contracts of which are rated in one of the two highest long-term rating categories by the rating agency or agencies then rating the applicable Series of Certificates or Series of Pool Bonds (each, a "Rating Agency"), or whose commercial paper rating is in the highest rating category (with regard to any modifiers) of each such Rating Agencies, or (ii) shall be fully collateralized by investments listed in subsection (1) of the definition of Permitted Investments set forth in the Trust Agreement or the Indenture, as applicable, as required by such Rating Agencies to be rated in one of the two highest rating categories, and shall be acceptable to the corresponding Credit Provider, if any, and the particulars of which pertaining to interest rate or rates and investment provider or providers will be set forth in the Pricing Confirmation applicable to such Series of Notes) and authorizes the Trustee to enter into such investment agreement or agreements on behalf of the District. The Bidding Agent, on behalf of itself and any investment broker retained by it, is authorized to accept a fee from the investment provider in an amount not in excess of 0.2% of the amount reasonably expected, as of the date of acquisition of the investment contract, to be invested under the investment contract over its term. Each Authorized Officer is hereby authorized and directed to execute and deliver such side letter or letters as are reasonably required by an investment agreement provider, acknowledging such investment and making reasonable representations and covenants with respect thereto. The District's funds in the Proceeds Subaccount attributed to each Series of Notes and the Payment Account attributed to such Series of Notes shall be accounted for separately. Any such investment by the Trustee shall be for the account and risk of the District, and the District shall not be deemed to be relieved of any of its obligations with respect to any Series of Notes, the Predefault Obligations or Reimbursement Obligations, if any, by reason of such investment of the moneys in its Proceeds Subaccount applicable to such Series of Notes or the Payment Account applicable to such Series of Notes.

Notwithstanding any other investment policy of the District heretofore or hereafter adopted, the investment policy of the District pertaining to each Series of Notes and all funds and accounts established in connection therewith shall be consistent with, and the Board hereby authorizes investment in, the Permitted Investments. Any investment policy adopted by the

Board hereafter in contravention of the foregoing shall be deemed to modify the authorization contained herein only if it shall specifically reference this Resolution and Section.

Section 9. Execution of Note. Any one of the Treasurer of the County, or, in the absence of said officer, his or her duly appointed assistant, the Chairperson of the Board of Supervisors of the County or the Auditor (or comparable financial officer) of the County shall be authorized to execute each Note of any Series issued hereunder by manual or facsimile signature and the Clerk of the Board of Supervisors of the County or any Deputy Clerk shall be authorized to countersign each such Note by manual or facsimile signature and to affix the seal of the County to each such Note either manually or by facsimile impression thereof. In the event the Board of Supervisors of the County fails or refuses to authorize issuance of the Series of Notes as referenced in Section 2 hereof, any one of the President or Chairperson of the governing board of the District or any other member of such board shall be authorized to execute the Note by manual or facsimile signature and the Secretary or Clerk of the governing board of the District, the Superintendent of the District, the Assistant Superintendent for Business, the Assistant Superintendent for Administrative Services, the business manager, director of business or fiscal services or chief financial/business officer of the District, as the case may be, or any duly appointed assistant thereto, shall be authorized to countersign each such Note by manual or facsimile signature. Said officers of the County or the District, as applicable, are hereby authorized to cause the blank spaces of each such Note to be filled in as may be appropriate pursuant to the applicable Pricing Confirmation. Said officers are hereby authorized and directed to cause the Trustee, as registrar and authenticating agent, to authenticate and accept delivery of each such Note pursuant to the terms and conditions of the corresponding Certificate Purchase Agreement or Note Purchase Agreement, as applicable, this Resolution and the Trust Agreement or Indenture, as applicable. In case any officer whose signature shall appear on any Series of Notes shall cease to be such officer before the delivery of such Series of Notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Each Series of the Notes shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Trustee and showing the date of authentication. Each Series of the Notes shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until such certificate of authentication shall have been duly executed by the Trustee by manual signature, and such certificate of authentication upon any such Series of Notes shall be conclusive evidence that such has been authenticated and delivered under this Resolution. The certificate of authentication on a Series of Notes shall be deemed to have been executed by the Trustee if signed by an authorized officer of the Trustee. The Notes need not bear the seal of the District, if any.

Section 10. Note Registration and Transfer. As long as any Series of the Notes remains outstanding, the District shall maintain and keep, at the principal corporate trust office of the Trustee, books for the registration and transfer of each Series of the Notes. Each Series of the Notes shall initially be registered in the name of the Trustee under the Trust Agreement or Indenture, as applicable, to which such Series of the Notes is assigned. Upon surrender of a Note of a Series for transfer at the office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or its duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the County or the District, as applicable, shall execute and the Trustee shall

authenticate and deliver, in the name of the designated transferee, a fully registered Note of the same Series. For every transfer of a Note of a Series, the District, the County or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer.

(A) Subject to Section 6 hereof, the County, the District and the Trustee and their respective successors may deem and treat the person in whose name a Note of a Series is registered as the absolute owner thereof for all purposes, and the County, the District and the Trustee and their respective successors shall not be affected by any notice to the contrary, and payment of or on account of the principal of such Note shall be made only to or upon the order of the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

(B) Any Note of a Series may, in accordance with its terms, be transferred upon the books required to be kept by the Trustee, pursuant to the provisions hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in form approved by the Trustee.

(C) The Trustee or the Authorized Officer of the District, acting separately or together, are authorized to sign any letter or letters of representations which may be required in connection with the delivery of any Series of Certificates or Series of Pool Bonds (in each case, to which such Series of Notes is assigned), if such Series of Certificates and Series of Pool Bonds are delivered in book-entry form.

(D) The Trustee will keep or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of each Note of a Series issued, which shall be open to inspection by the County and the District during regular business hours. Upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, the Notes of a Series presented as hereinbefore provided.

(E) If any Note of a Series shall become mutilated, the County or the District, as applicable, at the expense of the registered owner of such Note of a Series, shall execute, and the Trustee shall thereupon authenticate and deliver a new Note of like tenor, series and number in exchange and substitution for the Note so mutilated, but only upon surrender to the Trustee of the Note so mutilated. Every mutilated Note so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the County or the District, as applicable. If any Note of a Series shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the County, the District and the Trustee and, if such evidence be satisfactory to them and indemnity satisfactory to them shall be given, the County or the District, as applicable, at the expense of the registered owner, shall execute, and the Trustee shall thereupon authenticate and deliver a new Note of like tenor, series and number in lieu of and in substitution for the Note so lost, destroyed or stolen (or if any such Note of a Series shall have matured (as of the latest maturity date indicated on the face thereof) or shall be about to mature (as of the latest maturity date indicated on the face thereof), instead of issuing a substitute Note, the Trustee may pay the

same without surrender thereof). The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Note issued pursuant to this paragraph and of the expenses which may be incurred by the County or the District, as applicable, and the Trustee in such preparation. Any Note of a Series issued under these provisions in lieu of any Note of a Series alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the County (on behalf of the District) or on the part of the District, as applicable, whether or not the Note of a Series so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Resolution with all other Notes of the same Series secured by this Resolution.

Section 11. Covenants Regarding Transfer of Funds. It is hereby covenanted and warranted by the District that it will not request the County Treasurer to make temporary transfers of funds in the custody of the County Treasurer to meet any obligations of the District during Fiscal Year 2020-2021 pursuant to Article XVI, Section 6 of the Constitution of the State of California; provided, however, that the District may request the County Treasurer to make such temporary transfers of funds if all amounts required to be deposited into the Payment Account(s) of all outstanding Series of Notes (regardless of when due and payable) shall have been deposited into such Payment Account(s).

Section 12. Representations and Covenants.

(A) The District is a political subdivision duly organized and existing under and by virtue of the laws of the State of California and has all necessary power and authority to (i) adopt this Resolution and any supplement hereto, and enter into and perform its obligations under the Certificate Purchase Agreement(s) or the Note Purchase Agreement(s), as applicable, the Trust Agreement(s), if applicable, and the Credit Agreement(s), if applicable, and (ii) authorize the County to issue one or more Series of Notes on its behalf or, if applicable, issue one or more Series of Notes.

(B) (i) Upon the issuance of each Series of Notes, the District will have taken all action required to be taken by it to authorize the issuance and delivery of such Series of Notes and the performance of its obligations thereunder, (ii) the District has full legal right, power and authority to request the County to issue and deliver such Series of Notes on behalf of the District and to perform its obligations as provided herein and therein, and (iii) if applicable, the District has full legal right, power and authority to issue and deliver each Series of Notes.

(C) The issuance of each Series of Notes, the adoption of this Resolution and the execution and delivery of the Certificate Purchase Agreement(s) or the Note Purchase Agreement(s), as applicable, the Trust Agreement(s), if applicable, and the Credit Agreement(s), if applicable, and compliance with the provisions hereof and thereof will not conflict with, breach or violate any law, administrative regulation, court decree, resolution, charter, by-laws or other agreement to which the District is subject or by which it is bound.

(D) Except as may be required under blue sky or other securities law of any state or Section 3(a)(2) of the Securities Act of 1933, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the District required for the issuance and sale of each Series of Notes or the consummation by the

District of the other transactions contemplated by this Resolution except those the District shall obtain or perform prior to or upon the issuance of each Series of Notes.

(E) The District has (or will have prior to the issuance of the first Series of Notes) duly, regularly and properly adopted a budget for Fiscal Year 2020-2021 setting forth expected revenues and expenditures and has (or will have prior to the issuance of the first Series of Notes) complied with all statutory and regulatory requirements with respect to the adoption of such budget. The District hereby covenants that it will (i) duly, regularly and properly prepare and adopt its revised or final budget for Fiscal Year 2020-2021, (ii) provide to the Trustee, the Credit Provider(s), if any, the Underwriter and the Financial Advisor, promptly upon adoption, copies of such revised or final budget and of any subsequent revisions, modifications or amendments thereto and (iii) comply with all applicable law pertaining to its budget.

(F) The County has experienced an *ad valorem* property tax collection rate of not less than eighty-five percent (85%) of the average aggregate amount of *ad valorem* property taxes levied within the District in each of the five fiscal years from Fiscal Year 2014-2015 through Fiscal Year 2018-2019, and the District, as of the date of adoption of this Resolution and on the date of issuance of each Series of Notes, reasonably expects the County to have collected and to collect at least eighty-five percent (85%) of such amount for Fiscal Years 2019-2020 and 2020-2021, respectively.

(G) The District (i) is not currently in default on any debt obligation, (ii) to the best knowledge of the District, has never defaulted on any debt obligation, and (iii) has never filed a petition in bankruptcy.

(H) The District's most recent audited financial statements present fairly the financial condition of the District as of the date thereof and the results of operation for the period covered thereby. Except as has been disclosed to the Underwriter and the Credit Provider(s), if any, there has been no change in the financial condition of the District since the date of such audited financial statements that will in the reasonable opinion of the District materially impair its ability to perform its obligations under this Resolution and each Series of Notes. The District agrees to furnish to the Underwriter, the Financial Advisor, the Trustee and the Credit Provider(s), if any, promptly, from time to time, such information regarding the operations, financial condition and property of the District as such party may reasonably request.

(I) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending or, to the best knowledge of the District, threatened against or affecting the District questioning the validity of any proceeding taken or to be taken by the District in connection with each Series of Notes, the Certificate Purchase Agreement(s) or the Note Purchase Agreement(s), as applicable, the Trust Agreement or the Indenture, as applicable, the Credit Agreement(s), if any, or this Resolution, or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the District of any of the foregoing, or wherein an unfavorable decision, ruling or finding would have a materially adverse effect on the District's financial condition or results of operations or on the ability of the District to conduct its activities as presently conducted or as proposed or contemplated to be conducted, or would materially adversely affect the validity or enforceability of, or the authority or ability of the District to perform its obligations under, each Series of

Notes, the Certificate Purchase Agreement(s) or the Note Purchase Agreement(s), as applicable, the Trust Agreement or the Indenture, as applicable, the Credit Agreement(s), if any, or this Resolution.

(J) The District will not directly or indirectly amend, supplement, repeal, or waive any portion of this Resolution (i) without the consents of the Credit Provider(s), if any, or (ii) in any way that would materially adversely affect the interests of any holder or owner of any Series of the Notes, Certificates or Pool Bonds, as applicable, issued in connection with any Series of the Notes; provided, however that, if the Program is implemented, the District may adopt one or more Supplemental Resolutions without any such consents in order to increase the Maximum Amount of Borrowing in connection with the issuance of one or more Series of Additional Notes as provided in Section 2(B)(4) hereof.

(K) Upon issuance of a Series of Notes, such Series of Notes, this Resolution and the corresponding Credit Agreement will constitute legal, valid and binding agreements of the District, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy or other laws affecting creditors' rights generally, the application of equitable principles if equitable remedies are sought, the exercise of judicial discretion in appropriate cases and the limitations on legal remedies against school districts, community college districts and county boards of education, as applicable, in the State of California.

(L) It is hereby covenanted and warranted by the District that all representations and recitals contained in this Resolution are true and correct, and that the District and its appropriate officials have duly taken, or will take, all proceedings necessary to be taken by them, if any, for the levy, receipt, collection and enforcement of the Pledged Revenues in accordance with law for carrying out the provisions of this Resolution and each Series of Notes.

(M) The District shall not incur any indebtedness that is not issued in connection with the Program under this Resolution and that is secured by a pledge of its Unrestricted Revenues unless such pledge is subordinate in all respects to the pledge of Unrestricted Revenues hereunder.

(N) So long as any Credit Provider is not in default under the corresponding Credit Instrument, the District hereby agrees to pay its pro rata share of all Predefault Obligations and all Reimbursement Obligations attributable to the District in accordance with provisions of the applicable Credit Agreement, if any, and/or the Trust Agreement or Indenture, as applicable. Prior to the Maturity Date of a Series of Notes, moneys in the District's Payment Account attributed to such Series of Notes shall not be used to make such payments. The District shall pay such amounts promptly upon receipt of notice from the Credit Provider that such amounts are due to it by instructing the Trustee to pay such amounts to the Credit Provider on the District's behalf by remitting to the Credit Provider moneys held by the Trustee for the District and then available for such purpose under the Trust Agreement or the Indenture, as applicable. If such moneys held by the Trustee are insufficient to pay the District's pro rata share of such Predefault Obligations and all Reimbursement Obligations attributable to the District (if any), the District shall pay the amount of the deficiency to the Trustee for remittance to the Credit Provider.

(O) So long as any Series of Certificates or Pool Bonds executed or issued in connection with a Series of Notes are Outstanding, or any Predefault Obligation or Reimbursement Obligation is outstanding, the District will not create or suffer to be created any pledge of or lien on such Series of Notes other than the pledge and lien of the Trust Agreement or the Indenture, as applicable.

(P) As of the date of adoption of this Resolution, based on the most recent report prepared by the Superintendent of Public Instruction of the State of California, the District does not have a negative certification (or except as disclosed in writing to the Underwriter and the Credit Provider(s), if any, a qualified certification) applicable to the fiscal year ending June 30, 2020 (the "Fiscal Year 2019-2020") within the meaning of Section 42133 of the California Education Code. The District covenants that it will immediately deliver a written notice to the Authority, the Underwriter, the Financial Advisor, the Credit Provider(s), if any, and Bond Counsel if it (or, in the case of County Boards of Education, the County Superintendent of Schools) files with the County Superintendent of Schools, the County Board of Education or the State Superintendent of Public Instruction or receives from the County Superintendent of Schools or the State Superintendent of Public Instruction a qualified or negative certification applicable to Fiscal Year 2019-2020 or Fiscal Year 2020-2021 prior to the respective Closing Date referenced in each Pricing Confirmation or the Maturity Date of each Series of Notes.

(Q) The District will maintain a positive general fund balance in Fiscal Year 2020-2021.

(R) The District will maintain an investment policy consistent with the policy set forth in Section 8(G) hereof.

(S) The District covenants that it will immediately deliver a written notice to the Authority, the Underwriter, the Financial Advisor, the Credit Provider(s), if any, and Bond Counsel upon the occurrence of any event which constitutes an Event of Default hereunder or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

Section 13. Tax Covenants. The District will not take any action or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on each Tax-Exempt Series of Notes (or on any Tax-Exempt Series of Pool Bonds related thereto) under Section 103 of the Code. Without limiting the generality of the foregoing, the District will not make any use of the proceeds of any Tax-Exempt Series of the Notes or any other funds of the District which would cause any Tax-Exempt Series of the Notes (or on any Tax-Exempt Series of Pool Bonds related thereto) to be an "arbitrage bond" within the meaning of Section 148 of the Code, a "private activity bond" within the meaning of Section 141(a) of the Code, or an obligation the interest on which is subject to federal income taxation because it is "federally guaranteed" as provided in Section 149(b) of the Code. The District, with respect to the proceeds of each Tax-Exempt Series of the Notes (or on any Tax-Exempt Series of Pool Bonds related thereto), will comply with all requirements of such sections of the Code and all regulations of the United States Department of the Treasury issued or applicable thereunder to the extent that such requirements are, at the time, applicable and in effect.

(A) In the event the District is deemed a Safe Harbor Issuer (as defined in Section 7) with respect to a Tax-Exempt Series of Notes (or any Tax-Exempt Series of Pool Bonds related thereto), this subsection (B) shall apply. The District covenants that it shall make all calculations in a reasonable and prudent fashion relating to any rebate of excess investment earnings on the proceeds of each such Tax-Exempt Series of Notes (or such Tax-Exempt Series of Pool Bonds related thereto) due to the United States Treasury, shall segregate and set aside from lawfully available sources the amount such calculations may indicate may be required to be paid to the United States Treasury, and shall otherwise at all times do and perform all acts and things necessary and within its power and authority, including complying with the instructions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel referred to in Section 7 hereof to assure compliance with the Rebate Requirements. If the balance in the Proceeds Subaccount attributed to cash flow borrowing and treated for federal tax purposes as proceeds of the Tax-Exempt Series of Notes (or any Tax-Exempt Series of Pool Bonds related thereto) is not low enough to qualify amounts in the Proceeds Subaccount attributed to cash flow borrowing for an exception to the Rebate Requirements on at least one date within the six-month period following the date of issuance of the Tax-Exempt Series of Notes (or Tax-Exempt Series of Pool Bonds related thereto) (calculated in accordance with Section 7), the District will reasonably and prudently calculate the amount, if any, of investment profits which must be rebated to the United States and will immediately set aside, from revenues attributable to the Fiscal Year 2020-2021 or, to the extent not available from such revenues, from any other moneys lawfully available, the amount of any such rebate in the Rebate Fund referred to in this Section 13(B). In addition, in such event, the District shall establish and maintain with the Trustee a fund (with separate subaccounts therein for each such Tax-Exempt Series of Notes (or such Tax-Exempt Series of Pool Bonds related thereto) if more than one series is issued) separate from any other fund established and maintained hereunder and under the Indenture or Trust Agreement, as applicable, designated as the "2020-2021 Tax and Revenue Anticipation Note Rebate Fund" or such other name as the Trust Agreement or the Indenture, as applicable, may designate. There shall be deposited in such Rebate Fund such amounts as are required to be deposited therein in accordance with the written instructions from Bond Counsel pursuant to Section 7 hereof.

(B) Notwithstanding any other provision of this Resolution to the contrary, upon the District's failure to observe, or refusal to comply with, the covenants contained in this Section 13, no one other than the holders or former holders of each Tax-Exempt Series of Notes (or any Tax-Exempt Series of Pool Bonds related thereto), the Certificate or the Bond owners, as applicable, the Credit Provider(s), if any, or the Trustee on their behalf shall be entitled to exercise any right or remedy under this Resolution on the basis of the District's failure to observe, or refusal to comply with, such covenants.

(C) The covenants contained in this Section 13 shall survive the payment of all Series of the Notes.

Section 14. Events of Default and Remedies.

If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default":

(A) Failure by the District to make or cause to be made the deposits to any Payment Account required to be made hereunder on or before the fifteenth (15th) day after the date on which such deposit is due and payable, or failure by the District to make or cause to be made any other payment required to be paid hereunder on or before the date on which such payment is due and payable;

(B) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Resolution, for a period of fifteen (15) days after written notice, specifying such failure and requesting that it be remedied, is given to the District by the Trustee or any Credit Provider, unless the Trustee and such Credit Provider shall all agree in writing to an extension of such time prior to its expiration;

(C) Any warranty, representation or other statement by or on behalf of the District contained in this Resolution or the Certificate Purchase Agreement(s) or the Note Purchase Agreement(s), as applicable (including the Pricing Confirmation(s)), or the Credit Agreement(s) or in any requisition delivered by the District or in any instrument furnished in compliance with or in reference to this Resolution or the Certificate Purchase Agreement(s) or the Note Purchase Agreement(s), as applicable, or the Credit Agreement(s) or in connection with any Series of the Notes, is false or misleading in any material respect;

(D) Any event of default constituting a payment default occurs in connection with any other bonds, notes or other outstanding debt of the District;

(E) A petition is filed against the District under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect and is not dismissed within 30 days after such filing, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its and the Certificate or the Bond owners' (or Noteholders') interests;

(F) The District files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(G) The District admits insolvency or bankruptcy or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the District or any of its property is appointed by court order or appointed by the State Superintendent of Public Instruction or takes possession thereof and such order remains in effect or such possession continues for more than 30 days, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its and the Certificate or the Bond owners' or Noteholders' interests; and

(H) An "Event of Default" under the terms of the resolution, if any, of the County providing for the issuance of the Notes (and any Series thereof).

Whenever any Event of Default referred to in this Section 14 shall have happened and be continuing, subject to the provisions of Section 17 hereof, the Trustee shall, in addition to any other remedies provided herein or by law or under the Trust Agreement or the Indenture, as applicable, have the right, at its option without any further demand or notice, to take one or any combination of the following remedial steps:

(1) Without declaring any Series of Notes to be immediately due and payable, require the District to pay to the Trustee, for deposit into the applicable Payment Account(s) of the District under the Trust Agreement or the Indenture, as applicable, an amount equal to all of the principal of all Series of Notes and interest thereon to the respective final maturity(ies) of such Series of Notes, plus all other amounts due hereunder, and upon notice to the District the same shall become immediately due and payable by the District without further notice or demand; and

(2) Take whatever other action at law or in equity (except for acceleration of payment on any Series of Notes) which may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

Notwithstanding the foregoing, and subject to the provisions of Section 17 hereof and to the terms of the Trust Agreement or the Indenture, as applicable, concerning exercise of remedies which shall control if inconsistent with the following, if any Series of Notes is secured in whole or in part by a Credit Instrument or if a Credit Provider is subrogated to rights under any Series of Notes, as long as each such Credit Provider has not failed to comply with its payment obligations under the corresponding Credit Instrument, each such Credit Provider shall have the right to direct the remedies upon any Event of Default hereunder, and as applicable, prior consent shall be required to any remedial action proposed to be taken by the Trustee hereunder, except that nothing contained herein shall affect or impair the right of action of any owner of a Certificate to institute suit directly against the District to enforce payment of the obligations evidenced and represented by such owner's Certificate.

If any Credit Provider is not reimbursed on any interest payment date applicable to the corresponding Series of Notes for the drawing, payment or claim, as applicable, used to pay principal of and interest on such Series of Notes due to a default in payment on such Series of Notes by the District, as provided in the Trust Agreement or in the Indenture, as applicable, or if any principal of or interest on such Series of Notes remains unpaid after the Maturity Date of such Series of Notes, such Series of Notes shall be a Defaulted Note, the unpaid portion thereof or the portion (including the interest component, if applicable) to which a Credit Instrument applies for which reimbursement on a draw, payment or claim has not been made shall be deemed outstanding and shall bear interest at the Default Rate until the District's obligation on the Defaulted Note is paid in full or payment is duly provided for, all subject to Section 8 hereof.

Section 15. Trustee. The Trustee is hereby appointed as paying agent, registrar and authenticating agent for any and all Series of Notes. The District hereby directs and authorizes

the payment by the Trustee of the interest on and principal of any and all Series of Notes when such become due and payable from the corresponding Payment Account held by the Trustee in the name of the District in the manner set forth herein. The District hereby covenants to deposit funds in each such Payment Account at the times and in the amounts specified herein to provide sufficient moneys to pay the principal of and interest on any and all Series of Notes on the day or days on which each such Series matures. Payment of any and all Series of Notes shall be in accordance with the terms of the applicable Series of Notes and this Resolution and any applicable Supplemental Resolution.

The District hereby agrees to maintain the Trustee under the Trust Agreement or the Indenture, as applicable, as paying agent, registrar and authenticating agent of any and all Series of Notes.

The District further agrees to indemnify, to the extent permitted by law and without making any representation as to the enforceability of this covenant, and save the Trustee, its directors, officers, employees and agents harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under the Trust Agreement or the Indenture, as applicable, including but not limited to costs and expenses incurred in defending against any claim or liability, which are not due to its negligence or default.

Section 16. Sale of Notes. If the Certificate Structure is implemented, each Series of Notes as evidenced and represented by the applicable Series of Certificates shall be sold to the Underwriter, in accordance with the terms of the Certificate Purchase Agreement applicable to such Series of Notes, in each case as hereinbefore approved. If the Bond Pool Structure is implemented, each Series of Notes shall be sold to the Authority in accordance with the terms of the Note Purchase Agreement applicable to such Series of Notes, in each case as hereinbefore approved.

Section 17. Subordination. (a) Anything in this Resolution to the contrary notwithstanding, the indebtedness evidenced by each Series of Subordinate Notes shall be subordinated and junior in right of payment, to the extent and in the manner hereinafter set forth, to all principal of, premium, if any, and interest on each Series of Senior Notes and any refinancings, refundings, deferrals, renewals, modifications or extensions thereof.

In the event of (1) any insolvency, bankruptcy, receivership, liquidation, reorganization, readjustment, composition or other similar proceeding relating to the District or its property, (2) any proceeding for the liquidation, dissolution or other winding-up of the District, voluntary or involuntary, and whether or not involving insolvency or bankruptcy proceedings, (3) any assignment for the benefit of creditors, or (4) any distribution, division, marshalling or application of any of the properties or assets of the District or the proceeds thereof to creditors, voluntary or involuntary, and whether or not involving legal proceedings, then and in any such event, payment shall be made to the parties and in the priority set forth in Section 8(F) hereof, and each party of a higher priority shall first be paid in full before any payment or distribution of any character, whether in cash, securities or other property shall be made in respect of any party of a lower priority.

The subordination provisions of this Section have been entered into for the benefit of the holders of the Series of Senior Notes and any Credit Provider(s) that issues a Credit Instrument with respect to such Series of Senior Notes and, notwithstanding any provision of this Resolution, may not be supplemented, amended or otherwise modified without the written consent of all such holders and Credit Provider(s).

Notwithstanding any other provision of this Resolution, the terms of this Section shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any Series of Senior Notes is rescinded, annulled or must otherwise be returned by any holder of Series of Senior Notes or such holder's representative, upon the insolvency, bankruptcy or reorganization of the District or otherwise, all as though such payment has not been made.

In no event may any holder of all or any part of the Series of Subordinate Notes, or the corresponding Credit Provider(s), exercise any right or remedy available to it on account of any Event of Default on the Series of Subordinate Notes, (1) at any time at which payments with respect thereto may not be made by the District on account of the terms of this Section, or (2) prior to the expiration of forty-five (45) days after the holders of the Series of Subordinate Notes, or the corresponding Credit Provider(s), shall have given notice to the District and to the holders of the Series of Senior Notes and the corresponding Credit Provider(s), of their intention to take such action.

The terms of this Section, the subordination effected hereby and the rights of the holders of the Series of Senior Notes shall not be affected by (a) any amendment of or addition or supplement to any Series of Senior Notes or any instrument or agreement relating thereto, including without limitation, this Resolution, (b) any exercise or non-exercise of any right, power or remedy under or in respect of any Series of Senior Notes or any instrument or agreement relating thereto, or (c) any waiver, consent, release, indulgence, extension, renewal, modification, delay or other action, inaction or omission, in respect of any Series of Senior Notes or any instrument or agreement relating thereto or any security therefor or guaranty thereof, whether or not any holder of any Series of Subordinate Notes shall have had notice or knowledge of any of the foregoing.

In the event that a Series of Additional Subordinate Notes is further subordinated in the applicable Pricing Confirmation, at the time of issuance thereof, to all previously issued Series of Subordinate Notes of the District, the provisions of this Section 17 relating to Series of Senior Notes shall be applicable to such previously issued Series of Subordinate Notes and the provisions of this Section 17 relating to Series of Subordinate Notes shall be applicable to such Series of Additional Subordinate Notes.

Section 18. Continuing Disclosure Undertaking. The provisions of this Section 18 shall be applicable only if the Certificate Structure is implemented; provided, however, in the event the Bond Pool Structure is implemented, the District covenants to report to the Authority and the Trustee the occurrences of the events described in paragraphs (A)(1)j and (A)(2)h, below, within five business days of such occurrence.

(A) The District covenants, for the sole benefit of the owners of each Series of Certificates which evidence and represent the applicable Series of Notes (and, to the extent specified in this Section 18, the beneficial owners thereof), that the District shall:

(1) Provide in a timely manner not later than ten business days after the occurrence of the event, through the Trustee acting as dissemination agent (the "Dissemination Agent"), to the Municipal Securities Rulemaking Board, notice of any of the following events with respect to an outstanding Series of Notes of the District:

a. Principal and interest payment delinquencies on such Series of Notes and the related Series of Certificates;

b. Unscheduled draws on debt service reserves reflecting financial difficulties;

c. Unscheduled draws on credit enhancements reflecting financial difficulties;

d. Substitution of credit or liquidity providers, or their failure to perform;

e. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

f. Tender offers;

g. Defeasances;

h. Rating changes; or

i. Bankruptcy, insolvency, receivership or similar event of the obligated person.

For the purposes of the event identified in subsection i., the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

j. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(2) Provide in a timely manner not later than ten business days after the occurrence of the event, through the Dissemination Agent, to the Municipal Securities Rulemaking Board, notice of any of the following events with respect to an outstanding Series of Notes of the District, if material:

a. Unless described in subsection (A)(1)e., other material notices or determinations by the Internal Revenue Service with respect to the tax status of such Series of Notes and the related Series of Certificates or other material events affecting the tax status of such Series of Notes and the related Series of Certificates;

b. Modifications to rights of owners and beneficial owners of the Series of Certificates which evidence and represent such Series of Notes;

c. Optional, contingent or unscheduled bond calls;

d. Release, substitution or sale of property securing repayment of such Series of Notes;

e. Non-payment related defaults;

f. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

g. Appointment of a successor or additional Trustee or the change of name of a Trustee; or

h. Incurrence of a financial obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders.

For the purposes of the events listed as (1)j. and (2)h., the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Whenever the District obtains knowledge of the occurrence of an event described in subsection (A)(2) of this Section, the District shall determine if such event would be material under applicable federal securities laws. The Authority and the Dissemination Agent shall have no responsibility for such determination and shall be entitled to conclusively rely upon the District's determination.

If the District learns of the occurrence of an event described in subsection (A)(1) of this Section, or determines that the occurrence of an event described in subsection (A)(2) of this Section would be material under applicable federal securities laws, the District shall within ten business days of occurrence, through the Dissemination Agent, file a notice of such occurrence with the Municipal Securities Rulemaking Board. The District shall promptly provide the Authority and the Dissemination Agent with a notice of such occurrence which the Dissemination Agent agrees to file with the Municipal Securities Rulemaking Board.

All documents provided to the Municipal Securities Rulemaking Board shall be provided in an electronic format, as prescribed by the Municipal Securities Rulemaking Board, and shall be accompanied by identifying information, as prescribed by the Municipal Securities Rulemaking Board.

(B) In the event of a failure of the District to comply with any provision of this Section, any owner or beneficial owner of the related Series of Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. A default under this Section shall not be deemed an Event of Default under Section 14 hereof, and the sole remedy under this Section in the event of any failure of the District to comply with this Section shall be an action to compel performance.

(C) For the purposes of this Section, a "beneficial owner" shall mean any person which has the power, directly or indirectly, to make investment decisions concerning ownership of any Certificates of the Series which evidences and represents such Series of Notes (including persons holding Certificates through nominees, depositories or other intermediaries and any Credit Provider as a subrogee).

(D) The District's obligations under this Section shall terminate upon the legal defeasance, prior redemption or payment in full of its Note. If such termination occurs prior to the final maturity of the related Series of Certificates, the District shall give notice of such termination in the same manner as for a listed event under subsection (A)(1) of this Section.

(E) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Section. In no event shall the Dissemination Agent be responsible for preparing any notice or report or for filing any notice or report which it has not received in a timely manner and in a format suitable for reporting. Nothing in this Section shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Section or any other means of communication, or including any other notice of occurrence of a listed event under subsection (A)(1) or (A)(2) of this Section (each, a "Listed Event"), in addition to that which is required by this Section. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Section, the District shall have no obligation under this Section to update such information or include it in any future notice of occurrence of a Listed Event.

(F) Notwithstanding any other provision of this Resolution, the District with the consent of the Dissemination Agent and notice to the Authority may amend this Section, and any provision of this Section may be waived, provided that the following conditions are satisfied:

(1) If the amendment or waiver relates to the provisions of subsection (A) of this Section, 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 applicable Series of Notes and the related Series of Certificates, or the type of business conducted;

(2) The undertaking, as amended or taking into account such waiver, would in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the applicable Series of Notes and the related Series of Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the owners or beneficial owners of the related Certificates. In the event of any amendment or waiver of a provision of this Section, notice of such change shall be given in the same manner as for an event listed under subsection (A)(1) of this Section, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver; provided, however, the District shall be responsible for preparing such narrative explanation.

(G) The Dissemination Agent shall have only such duties as are specifically set forth in this Section. The Dissemination Agent shall not be liable for the exercise of any of its rights hereunder or for the performance of any of its obligations hereunder or for anything whatsoever hereunder, except only for its own willful misconduct or gross negligence. Absent gross negligence or willful misconduct, the Dissemination Agent shall not be liable for an error of judgment. No provision hereof shall require the Dissemination Agent to expend or risk its own funds or otherwise incur any financial or other liability or risk in the performance of any of its obligations hereunder, or in the exercise of any of its rights hereunder, if such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The District hereby agrees to compensate the Dissemination Agent for its reasonable fees in connection with its services hereunder, but only from the District's share of the costs of issuance deposited in the Costs of Issuance Fund held and invested by the Trustee under the Trust Agreement.

(H) This section shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter, any Credit Provider and owners and beneficial owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 19. Approval of Actions. The aforementioned officers of the County or the District, as applicable, are hereby authorized and directed to execute each Series of Notes and to cause the Trustee to authenticate and accept delivery of each Series of Notes pursuant to the terms and conditions of the applicable Certificate Purchase Agreement and Trust Agreement or the applicable Note Purchase Agreement and the Indenture, as applicable. All actions heretofore taken by the officers and agents of the County, the District or this Board with respect to the sale

and issuance of the Notes and participation in the Program are hereby approved, confirmed and ratified and the officers and agents of the County and the officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions and execute any and all certificates, requisitions, agreements, notices, consents, and other documents, including tax certificates, letters of representations to the securities depository, investment contracts (or side letters or agreements thereto), other or additional municipal insurance policies or credit enhancements or credit agreements (including mutual insurance agreements) or insurance commitment letters, if any, and closing certificates, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of each Series of Notes, execution or issuance and delivery of the corresponding Series of Certificates or Series of Pool Bonds, as applicable, and investment of the proceeds thereof, in accordance with, and related transactions contemplated by, this Resolution. The officers of the District referred to above in Section 4 hereof, and the officers of the County referred to above in Section 9 hereof, are hereby designated as "Authorized District Representatives" under the Trust Agreement or the Indenture, as applicable.

In the event that any Series of Notes or a portion thereof is secured by a Credit Instrument, the Authorized Officer is hereby authorized and directed to provide the applicable Credit Provider with any and all information relating to the District as such Credit Provider may reasonably request.

Section 20. Proceedings Constitute Contract. The provisions of each Series of Notes and of this Resolution shall constitute a contract between the District and the registered owner of such Series of Notes, the registered owners of the Series of Certificates or Bonds to which such Series of Notes is assigned, and the corresponding Credit Provider(s), if any, and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction, and shall be irrepealable.

Section 21. Limited Liability. Notwithstanding anything to the contrary contained herein or in any Series of Notes or in any other document mentioned herein or related to any Series of Notes or to any Series of Certificates or Series of Pool Bonds to which such Series of Notes may be assigned, the District shall not have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby except to the extent payable from moneys available therefor as set forth in Section 8 hereof, and the County is not liable for payment of any Note or any other obligation of the District hereunder.

Section 22. Severability. In the event any provision of this Resolution shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 23. Submittal of Resolution to County. The Secretary or Clerk of the Board of the District is hereby directed to submit one certified copy each of this Resolution to the Clerk of the Board of Supervisors of the County, to the Treasurer of the County and to the County Superintendent of Schools.

EXHIBIT A
FORM OF NOTE

R-1 $_____

_____ DISTRICT/_____ BOARD OF EDUCATION

COUNTY OF _____, CALIFORNIA

2020-2021 [SUBORDINATE]* TAX AND REVENUE ANTICIPATION NOTE, SERIES __

Date of
Original Issue

REGISTERED OWNER: U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

SERIES PRINCIPAL AMOUNT: _____ DOLLARS

Interest Rate	Maturity Date
___%	_____, 20__

First Repayment Period	Second Repayment Period	Third Repayment Period	Fourth Repayment Period	Fifth Repayment Period
__% of the total of [principal] [interest] [principal and interest] due at maturity	__% of the total of [principal] [interest] [principal and interest] due at maturity	__% of the total of [principal] [interest] [principal and interest] due at maturity	__% of the total of [principal] [interest] [principal and interest] due at maturity	100% of the total of principal and interest due at maturity**

FOR VALUE RECEIVED, the District/Board of Education designated above (the "District"), located in the County designated above (the "County"), acknowledges itself indebted to and promises to pay on the maturity date specified above to the registered owner identified above, or registered assigns, the principal amount specified above, together with interest thereon from the date hereof until the principal amount shall have been paid, payable [on _____ 1, 20__ and] on the maturity date specified above in lawful money of the United States of America, at the rate of interest specified above (the "Note Rate"). Principal of and interest on this Note are payable in such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts, such principal and interest to be paid upon surrender hereof at the principal corporate trust office of U.S. Bank National Association in Los Angeles, California, or its successor in trust (the "Trustee"). Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30-day months, in like lawful money from the date hereof until the maturity date specified above and, if funds are not provided for payment at the maturity, thereafter on the basis of a 360-day year for actual days elapsed until payment in full of said principal sum. Both the principal of and interest on this Note shall be payable only to the registered owner hereof upon surrender of this Note as the same shall fall due; provided, however, no interest shall be payable for any period after maturity during which the holder hereof fails to properly present this Note for payment. If the District fails to pay interest on this Note on any interest payment date or to pay the principal of or interest on this Note on the

* TAX AND REVENUE ANTICIPATION NOTE, SERIES __* To bear this designation if this Note is a Series of Subordinate Notes.

** ** Length and number of Repayment Periods and percentages and amount of principal of Note shall be determined in Pricing Confirmation (as defined in the Resolution).

maturity date or the [Credit Provider(s)] (as defined in the Resolution hereinafter described), if any, is not reimbursed in full for the amount drawn on or paid pursuant to the [Credit Instrument(s)] (as defined in the Resolution) to pay all or a portion of the principal of and interest on this Note on the date of such payment, this Note shall become a Defaulted Note (as defined and with the consequences set forth in the Resolution).

[It is hereby certified, recited and declared that this Note (the "Note") represents an authorized issue of the Note in the aggregate principal amount authorized, executed and delivered pursuant to and by authority of a resolution of the governing board of the District duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (the "Resolution"), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees. Pursuant to and as more particularly provided in the Resolution, additional notes may be issued by the District secured by a lien on a parity with the lien securing this Note.][*]

[It is hereby certified, recited and declared that this Note (the "Note") represents an authorized issue of the Note in the aggregate principal amount authorized, executed and delivered pursuant to and by authority of certain resolutions of the governing boards of the District and the County duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (collectively, the "Resolution"), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees. Pursuant to and as more particularly provided in the Resolution, additional notes may be issued by the District secured by a lien on a parity with the lien securing this Note.][**]

The term "Unrestricted Revenues" means the taxes, income, revenue, cash receipts and other moneys provided for Fiscal Year 2020-2021 which will be received by or will accrue to the District during such fiscal year for the general fund [and capital fund and/or special revenue fund] of the District and which are lawfully available for the payment of current expenses and other obligations of the District. As security for the payment of the principal of and interest on the Note, subject to the payment priority provisions contained in the Resolution, the District has pledged the first Unrestricted Revenues of the District received in the Repayment Periods set forth on the face hereof in an amount equal to the corresponding percentages of principal of, and [in the final Repayment Period,] interest due on, the Note at maturity set forth on the face hereof (such pledged amounts being hereinafter called the "Pledged Revenues"). As provided in Section 53856 of the California Government Code, subject to the payment priority provisions contained in the Resolution, the Note and the interest thereon shall be a first lien and charge against, and shall be payable from the first moneys received by the District from, the Pledged Revenues. As provided in Section 53857 of the California Government Code, notwithstanding the provisions of Section 53856 of the California Government Code and the foregoing, the Note shall be a general obligation of the District and, in the event that on [the tenth business day of each such Repayment Period], the District has not received sufficient Unrestricted Revenues to permit the deposit into the payment account established for the Note of the full amount of Pledged

[*]* This paragraph is applicable only if the Note is issued by the District.
[**]** This paragraph is applicable only if the Note is issued by the County.

Revenues to be deposited therein from said Unrestricted Revenues in such Repayment Period as provided in the Resolution, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of the Note and the interest thereon, as and when such other moneys are received or are otherwise legally available, as set forth in the Resolution and subject to the payment priority provisions contained therein. The full faith and credit of the District is not pledged to the payment of the principal of or interest on this Note. The County is not liable for payment of this Note.

This Note is transferable, as provided by the Resolution, only upon the books of the District kept at the office of the Trustee, by the registered owner hereof in person or by its duly authorized attorney, upon surrender of this Note for transfer at the office of the Trustee, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by the registered owner hereof or its duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, a fully registered Note will be issued to the designated transferee or transferees.

The [County, the][*] District and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and [the County,][*] the District and the Trustee shall not be affected by any notice to the contrary.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration hereon shall have been signed by the Trustee.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and that the amount of this Note, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

[IN WITNESS WHEREOF, the Board of Supervisors of the County has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the County and countersigned by the manual or facsimile signature of its duly authorized officer and caused its official seal to be affixed hereto either manually or by facsimile impression hereon as of the date of authentication set forth below.][*]

[*]* Applicable only if the Note is issued by the County.

DISTRICT CERTIFICATE

NAME OF DISTRICT:

LOCATED IN COUNTY OF:

SERIES DESIGNATION:

NOTE PRIORITY: SENIOR

PRINCIPAL AMOUNT OF NOTE: $

CLOSING DATE: _____, 20__

In connection with the California School Cash Reserve Program (the "Program"), the undersigned duly elected (or appointed) and qualified officers identified in and executing Section 4.5 hereof of the District identified above (the "District"), acting on behalf of the District, hereby certify, as of the Closing Date set forth above, as follows with respect to the 2020-2021 [Subordinate] Tax and Revenue Anticipation Note, Series __ (the "Note") issued by the District, located in the County identified above (all terms not defined herein shall have the meanings ascribed thereto in the Indenture (as defined herein)):

I. CERTIFICATIONS REGARDING CERTAIN DISTRICT MATTERS

1.1 At all times mentioned herein, the District was a duly organized, validly existing and operating school district, community college district or county board of education, as the case may be, under the laws of the State of California (the "State").

1.2 The undersigned officers, under the resolution of the District, adopted on _____, 20__, authorizing the borrowing of Funds for Fiscal Year 2020-2021 and the issuance and sale of the Note (the "Resolution"), are duly authorized to make these certifications on behalf of the District pursuant to the Resolution.

[ALTERNATIVE FOR DISTRICTS' WITH SUPPLEMENTAL RESOLUTIONS]

[1.2 The undersigned officers, under the resolution of the District, adopted on _____, 20__ (the "Original Resolution"), authorizing the borrowing of Funds for Fiscal Year 2020-2021 and the issuance and sale of the Note, as supplemented by the supplemental resolution of the District, adopted on _____, 20__ (the "Supplemental Resolution" and together with the Original Resolution, the "Resolution"), are duly authorized to make these certifications on behalf of the District pursuant to the Resolution.]

1.3 The District has previously provided the California School Cash Reserve Program Authority (the "Authority") with a true, accurate and complete copy of the Resolution. The Resolution was adopted by the governing board of the District (the "Board") at a meeting held on the date specified therein, at which meeting the Board discussed, considered and deliberated the Resolution as a separate item of business on the agenda of its meeting. An agenda of the meeting

of the Board on said date was posted at least 72 hours before said meeting at a location freely accessible to members of the public.

[ALTERNATIVE FOR DISTRICTS' WITH SUPPLEMENTAL RESOLUTIONS]

[1.3 The District has previously provided the California School Cash Reserve Program Authority (the "Authority") with a true, accurate and complete copy of the Original Resolution and a true, accurate and complete copy of the Supplemental Resolution. The Original Resolution and the Supplemental Resolution were each adopted by the governing board of the District (the "Board") at a meeting held on the date specified therein, at which meeting the Board discussed, considered and deliberated such as a separate item of business on the agenda of its meeting. An agenda of the meeting of the Board on each said dates was posted at least 72 hours before said meetings at a location freely accessible to members of the public.]

1.4 The Resolution has not been amended or revoked and is in full force and effect on the date hereof, and there is no proceeding of the Board in conflict with or in any way altering the Resolution.

1.5 The information contained in the Data Sheet attached hereto as Exhibit A, and in the Credit Questionnaire completed by the District and submitted to Dale Scott & Company in connection with the Program, was at the time submitted and is on the date of this Certificate true and accurate. [In particular, the District hereby confirms and represents that the District treats the principal apportionments which it generally would receive in Fiscal Year 2020-2021 but which the State of California has deferred payment to Fiscal Year 2021-2022 as accrued in Fiscal Year 2020-2021 for budgetary, financial reporting and all other relevant purposes. The District understands that Orrick, Herrington & Sutcliffe LLP, Bond Counsel, will rely upon this representation in its opinion with respect to such deferred revenues to be rendered to Standard & Poor's (as part of Standard & Poor's criteria for rating a cross-fiscal year tax and revenue anticipation note financing).]

1.6 The District [does][did] not have a negative cash balance at the beginning of Fiscal Year 2020-2021 in its general fund or in its building fund.

1.7 The District has authorized or acknowledged, by all necessary action, the execution, delivery, receipt and due performance of the Resolution, the Note, the Purchase Agreement, dated _____, 20__ (the "Purchase Agreement"), between the Authority and the District (severally and not jointly with the other school districts, community college districts and county boards of education named therein), including the Pricing Confirmation Supplement thereto (the "Pricing Confirmation Supplement"), the Indenture, dated as of July 1, 20__[, as supplemented by the _____ Supplemental Indenture, dated as of _____ 1, 20__ ([collectively,] the "Indenture"), each by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), pertaining to the issuance of the California School Cash Reserve Program Authority 2020-2021 [Senior] Bonds, Series __[, and the California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds, Series __] ([collectively,] the "Pool Bonds"), and any and all other agreements and documents as may be required to be executed, delivered and received by the District in order to carry out, give effect to and consummate the transactions contemplated by the Resolution. The

Resolution, the Note, the Indenture and the Purchase Agreement are collectively referred to herein as the "Documents."

1.8 None of the Documents has been amended, modified or rescinded by the District and each of the Documents is in full force and effect on the date hereof. [The requirements of Section 2(B) of the Resolution and the requirements of Section 2.12 of the Indenture have been met in connection with the issuance of the Note and the Pool Bonds.]

1.9 The representations and warranties of the District set forth in the applicable Documents were on the date made and are on the date hereof true and accurate as though made on and as of the date hereof.

1.10 The Purchase Agreement and the Note of the District have been duly executed and delivered by the duly authorized officers of the District, and the Note and the Purchase Agreement, when executed and delivered by the other parties thereto (where necessary) will constitute legal, valid and binding agreements of the District, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy or other laws affecting creditors' rights, the application of equitable principles if equitable remedies are sought, the exercise of judicial discretion in appropriate cases and the limitations on legal remedies against school districts, community college districts and county boards of education, as applicable, in the State.

[ALTERNATE PARAGRAPH IF DISTRICT NOT FISCALLY ACCOUNTABLE]

[1.10 The Purchase Agreement and the Note of the District have been duly executed and delivered by the duly authorized officers of the District or, if applicable, the Note has been duly executed and delivered by the duly authorized officers of the County, and the Note and the Purchase Agreement, when executed and delivered by the other parties thereto (where necessary) will constitute legal, valid and binding agreements of the District, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy or other laws affecting creditors' rights, the application of equitable principles if equitable remedies are sought, the exercise of judicial discretion in appropriate cases and the limitations on legal remedies against school districts, community college districts and county boards of education, as applicable, in the State.]

1.11 The District has complied with all provisions of applicable law in connection with the adoption of the Resolution and the transactions contemplated under the Resolution and the documents approved thereby.

1.12 The execution, delivery and performance by the District of the Note and the Purchase Agreement, and the execution, delivery and performance by the Authority of the Indenture and the Pool Bonds and, in each case the borrowing thereunder or in connection therewith (and the application of the proceeds thereof) have been duly authorized or acknowledged by all necessary action on the part of the District.

[ALTERNATE PARAGRAPH IF DISTRICT NOT FISCALLY ACCOUNTABLE]

[1.12 The execution, delivery and performance by the District or the County, as the case may be, of the Note and the Purchase Agreement, and the execution, delivery and performance by the Authority of the Indenture and the Pool Bonds and, in each case the borrowing thereunder or in connection therewith (and the application of the proceeds thereof) have been duly authorized or acknowledged by all necessary action on the part of the District.]

1.13 The District has full power and authority to acknowledge the Authority's execution and delivery of the Indenture. The execution and delivery by the Authority of the Indenture (and the District's obligations thereunder) (i) do not and will not contravene the laws of the State providing for the organization and government of the District, and (ii) do not and will not conflict with, or result in the violation of, any applicable law

1.14 To the extent the District has previously agreed to provide continuing disclosure pursuant to S.E.C. Rule 15c2-12(b)(5) with respect to any of its debt issues other than the Note, the District has not, in the preceding five years, failed to comply in any material respect with any such agreements with regard to said rule.

1.15 [The District has not previously issued or sold any 2020-2021 Tax and Revenue Anticipation Notes.] [The District has previously issued the 2020-2021 tax and revenue anticipation notes (the "Prior Notes"), if any, indicated on Schedule I of Exhibit A to the Purchase Agreement. Such Prior Notes are outstanding on the date hereof and are senior to, on a parity with or subordinate to the Notes, as indicated on such Schedule I. No event of default has occurred and is continuing under the Resolution or, if different, the resolution pursuant to which the Prior Notes were issued. The District is in compliance with all agreements and covenants contained in the Resolution.]

1.16 If prior to the Closing Date the District should have any reason to believe that any of the representations or certifications contained herein or in the Documents are not true and correct, the District covenants that it will call Scott Beck of Kutak Rock LLP, Special District Counsel, (303) 297-2400.

II. CERTIFICATION REGARDING TAX MATTERS

2.1 The District will not take any actions (or fail to take actions) that would cause interest on the Pool Bonds to be included in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the District:

(a) will not allow the use of any proceeds of the Note to be used in the trade or business of any nongovernmental person;

(b) will not loan any proceeds of the Note to any nongovernmental person;

(c) will take no actions that would cause the Pool Bonds to be treated as "federally guaranteed," within the meaning of Section 149(b) of the Internal Revenue Code of 1986 (the "Code");

(d) will not use any proceeds of the Note to repay any principal or interest of any outstanding tax-exempt obligation of the District apart from interest that accrues during a one-year period that includes _____, 20__; and

(e) will take no actions that would cause the Pool Bonds to be treated as "arbitrage bonds," within the meaning of Section 148 of the Code.

III. CERTIFICATIONS REGARDING ARBITRAGE AND REBATE

The following are the reasonable expectations of the District, stated pursuant to Treasury Regulations Section 1.148-2(b), relating to the use and investment of the proceeds of the Note:

3.1 The Note is being issued in anticipation of taxes or other revenues and will be spent to pay lawful expenses of the District payable from its general fund.

3.2 Based upon the attached cashflow projections, the District expects to allocate the proceeds of the Note to working capital expenditures within 13 months after _____, 20__, using the methodology described in the next section.

3.3 Proceeds of the Note will be allocated to working capital expenditures of the District on any date that the District's working capital expenditures exceed the District's "available amounts." "Available amounts" means any cash, investments, or other amounts held in any fund or account by the District that is available for the District to use for working capital expenditures without legislative or judicial action and without a legislative, judicial, or contractual requirement that those amounts be reimbursed. For this purpose, a legislative, judicial or contractual requirement shall be given effect only if it was adopted or entered into for bona fide governmental purposes and without any view towards increasing the amounts that could be borrowed on a tax-exempt basis or treated as unavailable by or on behalf of the District. Additionally, the District may treat amounts held in a "reasonable working capital reserve" as amounts that are not "available amounts" if the District satisfies the expenditure requirement described in Section 3.8(b) of this District Certificate. Amounts that are held in a "reasonable working capital reserve" cannot exceed the lesser of 5% of the total of the District's expenses paid from current revenues in Fiscal Year 2019-2020 or $_____, being the amount actually maintained by the District as its historic and customary working capital reserve which is not directly or indirectly financed with the proceeds of the Note.

3.4 The funds and accounts maintained by or for the benefit of the District that are considered available for payment of the District's expenditures, and their cash balances as of the date of issue, are set forth in the schedule attached hereto as Exhibit A. The District identified in its Credit Questionnaire all of its funds, and no funds were omitted from inclusion in the Data Sheet due to the District's failure to identify such funds.

3.5 In participating in the preparation of its cash flow analysis for the 2020-2021 fiscal year, the District has reviewed its prior year's cash flows and has, where applicable, compared last year's actual cash flows with last year's originally projected cash flows. Taking this information into account and such other information as is available to the District, the District believes that this year's projected cash flow analysis is reasonable and is based on reasonable assumptions.

3.6 All of the proceeds of the Note, together with earnings thereon, less amounts allocable to the District's costs of issuance as computed in accordance with the formula set forth in the Purchase Agreement (the "Note Proceeds"), will be deposited into the District's Proceeds Subaccount (Series __), which shall be held by the Trustee pursuant to the Indenture.

3.7 The Note will be repaid from the general funds of the District received after all Note Proceeds are spent as described above. The moneys to be so used will be separately accounted for until used to repay the Note.

3.8 In connection with the issuance of the Note under the Resolution, the District certifies that it will comply with the procedures described in Section 7 of the Resolution, only drawing moneys from the Proceeds Subaccount (Series __) to the extent necessary to cover general fund expenditures for which no other money is available without judicial or legislative action or without a legislative, judicial or contractual requirement that such funds be reimbursed. The District reasonably expects that, prior to the six-month anniversary of the issuance of the Note, the amount withdrawn from the Proceeds Subaccount (Series __) or otherwise treated for federal tax purposes as a withdrawal of proceeds of the Note and paid to third parties in satisfaction of accrued liabilities will be equal to at least:

(a) 90% of the proceeds of the Note or

(b) 100% of the proceeds of the Note provided that amounts held in a "reasonable working capital reserve" will be treated as unavailable to the extent such amounts do not exceed the lesser of 5% of the District's working capital expenditures for Fiscal Year 2019-2020 or the amount specified in Section 3.3 of this District Certificate as constituting the historic and customary working capital reserve actually maintained by the District.

Further, the District recognizes its obligations to notify the Trustee and to follow the instructions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in the event that the District has not so withdrawn and spent the amount described in either (a) or (b) above by such date.

3.9 To the best of the knowledge and belief of the undersigned, there are no other facts, estimates, or circumstances which would materially change the foregoing statements, and the foregoing expectations are reasonable.

3.10 The District understands that Orrick, Herrington & Sutcliffe LLP, Bond Counsel, will rely upon this Certificate in giving its opinion that interest on the Pool Bonds is excluded from federal gross income.

[ALTERNATIVE PROVISIONS FOR SMALL ISSUERS]

[III. CERTIFICATIONS REGARDING ARBITRAGE AND REBATE

The following are the reasonable expectations of the District, stated pursuant to Treasury Regulations Section 1.148-2(b), relating to the use and investment of the proceeds of the Note:

3.1 The Note is being issued in anticipation of taxes or other revenues and will be spent to pay lawful expenses of the District payable from its general fund.

3.2 Based upon the attached cashflow projections, the District expects to allocate the proceeds of the Note to working capital expenditures within 13 months after _____, 20__, using the methodology described in the next section.

3.3 Proceeds of the Note will be allocated to working capital expenditures of the District on any date that the District's working capital expenditures exceed the District's "available amounts." "Available amounts" means any cash, investments, or other amounts held in any fund or account by the District that is available for the District to use for working capital expenditures without legislative or judicial action and without a legislative, judicial, or contractual requirement that those amounts be reimbursed. For this purpose, a legislative, judicial or contractual requirement shall be given effect only if it was adopted or entered into for bona fide governmental purposes and without any view towards increasing the amounts that could be borrowed on a tax-exempt basis or treated as unavailable by or on behalf of the District. Any amounts that are held in a reasonable working capital reserve not exceeding a total of 5% of the total of the District's expenses paid from current revenues in fiscal year 2019-2020 shall be treated as not an "available amount." The District will adopt an accounting method with respect to such reasonable working capital reserve that allocates to the reasonable working capital reserve monies of the District that are not proceeds of the Note.

3.4 The funds and accounts maintained by or for the benefit of the District that are considered available for payment of the District's expenditures, and their cash balances as of the date of issue, are set forth in the schedule attached hereto as Exhibit A. The District identified in its Credit Questionnaire all of its funds, and no funds were omitted from inclusion in the Data Sheet due to the District's failure to identify such funds.

3.5 In participating in the preparation of its cash flow analysis for the 2020-2021 fiscal year, the District has reviewed its prior year's cash flows and has, where applicable, compared last year's actual cash flows with last year's originally projected cash flows. Taking this information into account and such other information as is available to the District, the District believes that this year's projected cash flow analysis is reasonable and is based on reasonable assumptions.

3.6 All of the proceeds of the Note, together with earnings thereon, less amounts allocable to the District's costs of issuance as computed in accordance with the formula set forth in the Purchase Agreement (the "Note Proceeds"), will be deposited into the District's Proceeds Subaccount (Series __), which shall be held by the Trustee pursuant to the Indenture.

3.7 The Note will be repaid from the general funds of the District received after all Note Proceeds are spent as described above. The moneys to be so used will be separately accounted for until used to repay the Note.

3.8 In connection with the issuance of the Note under the Resolution, the District certifies that after reasonable inquiry, it is the reasonable expectation of the District that neither (A) the aggregate amount of all tax-exempt obligations (including any tax-exempt leases, but excluding private activity bonds) issued or to be issued by the District (and all subordinate entities

of the District) during the calendar year 20__, including the Principal Amount of the Note, will exceed $15,000,000, nor (B) the Principal Amount of the Note, together with the aggregate amount of all tax-exempt obligations not used to finance school construction (including any tax-exempt leases, but excluding private activity bonds) issued or to be issued by the District (and all subordinate entities of the District) during calendar year 20__ will exceed $5,000,000.

3.9 To the best of the knowledge and belief of the undersigned, there are no other facts, estimates, or circumstances which would materially change the foregoing statements, and the foregoing expectations are reasonable.

3.10 The District understands that Orrick, Herrington & Sutcliffe LLP, Bond Counsel, will rely upon this Certificate in giving its opinion that interest on the Pool Bonds is excluded from federal gross income.]

IV. REQUEST TO TRUSTEE AND SIGNATURE CERTIFICATION

4.1 The Trustee is hereby requested and authorized to authenticate and deliver the Note of the District upon receipt of the Note from the District and the purchase price thereof. The Trustee is also hereby requested and authorized to authenticate and deliver the Pool Bonds upon receipt of the Pool Bonds from the Authority and the purchase price thereof.

4.2 It is hereby acknowledged that the Authority is authorized to issue the Pool Bonds, upon receipt of the purchase price of the Note of the District together with the aggregate purchase price of all other notes of school districts, community college districts and county boards of education participating in the Program and whose notes will be pooled with the District's Note in connection with the issuance of the same series of Pool Bonds.

4.3 The Trustee is hereby directed to deposit the proceeds of the Note in amounts in conformance with amounts set forth in the Pricing Confirmation Supplement in the Cost of Issuance Fund and in the Proceeds Subaccount (Series __).

4.4 The Trustee is hereby directed to invest the moneys in such Cost of Issuance Fund and Proceeds Subaccount (Series __) pursuant to the Investment Agreement or other Permitted Investments (as such terms are used in the Indenture and as specifically designated in the Pricing Confirmation Supplement).

4.5 The following named persons are duly elected (or appointed), qualified and acting officers of the District presently holding the offices set forth opposite their respective names below and by execution hereof each certifies that the signatures of the other officers hereto are the genuine signatures of such officers (signatures of the officers executing the Note, the other Documents (as defined herein), Internal Revenue Service Form 8038-G and the Secretary's Certificate attached to the Resolution must appear below):

NAME	OFFICE	SIGNATURE

PURCHASE AGREEMENT

This PURCHASE AGREEMENT (the "Purchase Agreement"), dated as of the purchase date (the "Purchase Date") specified in Exhibit A attached hereto and made a part hereof (inclusive of Schedule I, "Exhibit A"), entered into by and between each respective signatory school district, community college district or county board of education designated in Exhibit A, a political subdivision (respectively, the "District") of the State of California (the "State"), severally and not jointly, and the California School Cash Reserve Program Authority (the "Authority"), for the sale and delivery of the District's 2020-2021 Tax and Revenue Anticipation Note with the series and priority designations specified in Exhibit A (the "Note") in the principal amount specified in Exhibit A (the "Series Principal Amount") to be issued in conjunction with certain series of notes of other Issuers (as hereinafter defined) participating in the Program as determined in the Pricing Confirmation (as hereinafter defined) and pooled with certain series of notes of other Issuers, with the Note and series of notes of other Issuers assigned to secure one or more series (each a "Series") of bonds (the "Pool Bonds") as designated in Exhibit A;

WITNESSETH:

WHEREAS, school districts, community college districts and county boards of education are authorized by Sections 53850 to 53858, both inclusive, of the California Government Code (the "Act") (being Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code) to borrow money by the issuance of temporary notes;

WHEREAS, the governing board of the District (the "District Board") has heretofore adopted its resolution finding that the District needs to borrow funds in its fiscal year ending June 30, 2021 ("Fiscal Year 2020-2021") in the principal amount not to exceed the principal amount set forth in Exhibit A (the "Principal Amount") and that it is desirable that a portion of said sum be borrowed at this time by the issuance of the Note in the Series Principal Amount in anticipation of the receipt by or accrual to the District during Fiscal Year 2020-2021 of taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for such fiscal year for the general fund of the District;

[**WHEREAS,** on the applicable resolution date and applicable supplemental resolution date, if applicable, set forth in Exhibit A, the District Board and, because the District has not established fiscal accountability status, pursuant to Section 53853 of the Act, the Board of Supervisors of the County specified in Exhibit A, adopted/did not adopt (as specified in Exhibit A) a resolution and, if applicable, a supplemental resolution (collectively or singularly, as applicable, the "Resolution") authorizing the issuance and sale of the Note in the name and on behalf of the District;]

[ALTERNATIVE PROVISION FOR DISTRICT WITH FISCAL ACCOUNTABILITY STATUS]

[**WHEREAS,** on the applicable resolution date and applicable supplemental resolution date, if applicable, set forth in Exhibit A, the District Board, because the District has established fiscal accountability status, adopted a resolution and, if applicable, a supplemental resolution

(collectively or singularly, as applicable, the "Resolution") authorizing the issuance and sale of the Note in the name of the District;]

WHEREAS, the District has determined that it is in the best interests of the District to participate in the California School Cash Reserve Program (the "Program"), whereby participating school districts, community college districts and county boards of education (the "Issuers") will simultaneously issue tax and revenue anticipation promissory notes for purchase by the Authority;

WHEREAS, from time to time, under the Program, the Authority may form one or more pools of notes (the "Pooled Notes") each composed of corresponding series of notes of a participating Issuer, and assign each such series of notes to a particular pool (the "Pool") and sell one or more Series of Pool Bonds secured by each Pool pursuant to an indenture and, if applicable, one or more supplements thereto (collectively, the "Indenture") between the Authority and U.S. Bank National Association (the "Trustee"), and sell each such Series of Pool Bonds to the underwriter designated in Exhibit A as underwriter of the Program (the "Underwriter");

WHEREAS, the District by adopting the Resolution and by executing this Purchase Agreement has acknowledged and approved the assignment of its Series of Notes to the particular Pool under the Indenture in connection with the Series of Pool Bonds identified in Exhibit A, which assignment has been determined by the Authority in its sole discretion, acting upon the advice of the Underwriter;

WHEREAS, as indicated in Exhibit A, the payment by the District of its Note will/will not be secured in whole or in part (jointly, but not severally, with certain series of notes of the other participating Issuers assigned to the same Series of Pool Bonds) by virtue or in form of such Series of Pool Bonds being secured by a letter of credit, policy of insurance or other credit instrument (collectively, the "Credit Instrument") to be issued in the case of a letter of credit or policy of insurance by the entity or entities designated in Exhibit A as the credit provider (the "Credit Provider");

WHEREAS, in the case of a letter of credit or policy of insurance such Credit Instrument will be issued pursuant to a reimbursement or credit agreement or commitment letter (the "Credit Agreement") as identified in Exhibit A;

WHEREAS, in order to participate in the Program, the District has agreed to be responsible for its share of the fees and expenses of the Trustee, and, if applicable and upon the determination of the Underwriter, the Credit Provider and the costs of issuing the Series of the Pool Bonds, and the costs, if applicable and upon the determination of the Underwriter, of issuing the Credit Instrument, which anticipated fees, expenses and costs of issuance will be deducted from the purchase price set forth in Exhibit A and which unanticipated fees, expenses and costs of issuance will be billed to the District as the same arise;

WHEREAS, the costs of issuance which will be deducted from the purchase price set forth in Exhibit A for the District shall not be more than the greater of (a) one percent (1%) of the Series Principal Amount of the Note, or (b) two thousand five hundred dollars ($2,500), and shall be confirmed in the Pricing Confirmation applicable to such Note; and

WHEREAS, pursuant to the Program, the Authority is submitting this offer to purchase the Note pursuant to this Purchase Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Obligation to Purchase. Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Authority hereby agrees to purchase from the District, and the District hereby agrees to sell to the Authority, the Note (as indicated in Exhibit A), as described herein and in the Resolution.

Section 2. Purchase Price. The purchase price of the Note shall be the purchase price set forth in a pricing confirmation supplement to be delivered by the Underwriter on behalf of the Authority to the District on a date within 10 days after actual pricing of such Note (or such later date as approved by the Underwriter) which, upon execution by the District, shall be attached hereto as Schedule I (the "Pricing Confirmation") and incorporated as part of Exhibit A. The Note shall bear interest at an interest rate per annum set forth in the Pricing Confirmation, which is hereby agreed to by and between the Authority and the District by its duly authorized officer executing this Purchase Agreement on behalf of the District.

Section 3. Delivery of and Payment for the Note. The delivery of the Note (the "Closing") shall take place at 8:00 a.m., California time, on the closing date set forth in the Pricing Confirmation or at such other time or date as may be mutually agreeable to the District, the Authority and the Underwriter, at the Los Angeles offices of Orrick, Herrington & Sutcliffe LLP or such other place as the District, the Authority and the Underwriter shall mutually agree upon. At the Closing, the District shall cause the Note to be delivered to the Authority, duly executed and authenticated, together with the other documents hereinafter mentioned, and the proceeds of the purchase price of the Note set forth in the Pricing Confirmation shall be deposited (i) in an amount indicated in the Pricing Confirmation as the Deposit to Proceeds Subaccount in the Proceeds Subaccount of the District (and attributed to the Note) held by the Trustee under the Indenture, and (ii) the remainder in the account (attributed to the Note) in the Costs of Issuance Fund attributed to the Series of Pool Bonds held by the Trustee under the Indenture. The District's Note shall be made available to the Authority or the Underwriter for inspection at least 24 hours prior to Closing.

If at any time prior to 90 days after the Closing Date, any event occurs as a result of which information relating to the District included in the official statement of the Authority relating to the Series of Pool Bonds (the "Official Statement") contains an untrue statement of a material fact or omits to state any material fact necessary to make the statements therein in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Authority and the Underwriter thereof, and if, in the opinion of the Authority or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will cooperate with the Authority and the Underwriter in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Authority and the Underwriter, and all reasonable expenses incurred thereby will be paid by the Underwriter.

Section 4. **The Note.** The Note shall be issued in registered form, without coupons in the full Series Principal Amount set forth in Exhibit A.

Section 5. **Representations and Warranties of the District.** The District represents and warrants to the Authority, the Underwriter and the Credit Provider, if any, that:

(a) All representations and warranties set forth in the Resolution are true and correct on the date hereof and are made for the benefit of the Authority and the Underwriter as if set forth herein.

(b) A copy of the Resolution has been delivered to the Authority and the Underwriter, and the Resolution will not be amended or repealed without the consent of the Authority and the Underwriter, which consent will not be unreasonably withheld.

(c) [The District does not have "fiscal accountability status" within the meaning of Section 42650 of the Education Code of the State of California.]

[ALTERNATIVE PROVISION FOR DISTRICT WITH FISCAL ACCOUNTABILITY STATUS]

[(c) The District has "fiscal accountability status" within the meaning of Section 42650 of the Education Code of the State of California.]

(d) The District has not revised its investment policy to contravene the policy set forth in Section 8(G) of the Resolution.

(e) The District has previously issued the 2020-2021 Tax and Revenue Anticipation Notes (the "Prior Notes"), if any, indicated on Schedule I of Exhibit A hereto. Such Prior Notes are outstanding on the date hereof and are senior to, on a parity with or subordinate to the Notes, as indicated on Schedule I. No event of default has occurred and is continuing under the Resolution pursuant to which the Prior Notes were issued. The District is in compliance with all agreements and covenants contained in the Resolution.

Section 6. **Conditions Precedent to the Closing.** Conditions precedent to the Closing are as follows:

(a) The execution and delivery of the Note consistent with the Resolution.

(b) Delivery of a legal opinion addressed to the District (with a reliance letter addressed to the Authority and the Credit Provider, if any), dated the date of Closing, of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel") with respect to the validity of the Note in form and substance acceptable to the District and its counsel.

(c) Delivery of a legal opinion addressed to the Authority, the Underwriter and the Credit Provider, if any, dated the date of the Closing, of Kutak Rock LLP, special counsel to the District, regarding due authorization, execution, delivery and validity of the Note, in form and substance acceptable to the Authority, the Underwriter, the Credit Provider and Bond Counsel.

(d) If applicable, approval by the Credit Provider of the credit of the District and inclusion of the District's Note in the assignment, together with certain series of notes of other Issuers, to the Series of Pool Bonds to secure such Series of Pool Bonds.

(e) Delivery of each certificate, document, instrument and opinion required by the agreement between the Authority and the Underwriter for the sale by the Authority and purchase by the Underwriter of the Series of Pool Bonds.

(f) Delivery of such other certificates, instruments or opinions as Bond Counsel may deem necessary or desirable to evidence the due authorization, execution and delivery of documents pertaining to the applicable transaction and the legal, valid and binding nature thereof or as may be required by the Credit Agreement, if any, as well as compliance of all parties with the terms and conditions thereof.

Section 7. Events Permitting the Authority to Terminate. The Authority may terminate its obligation to purchase the Note at any time before the Closing if any of the following occurs:

(a) Any legislative, executive or regulatory action (including the introduction of legislation) or any court decision which, in the judgment of the Underwriter, casts sufficient doubt on the legality of or the tax-exempt status of interest on obligations such as the Series of Pool Bonds, so as to materially impair the marketability or to materially reduce the market price of such obligations;

(b) Any action by the Securities and Exchange Commission or a court which would require registration of the Note, the Series of Pool Bonds, or any instrument securing the Note or the Series of Pool Bonds under the Securities Act of 1933, as amended, in connection with the public offering thereof, or qualification of the Resolution or the Indenture under the Trust Indenture Act of 1939, as amended; or

(c) Any restriction on trading in securities, or any banking moratorium, or the inception or escalation of any war or major military hostilities which, in the judgment of the Underwriter, substantially impairs the ability of the Underwriter to market the Series of Pool Bonds.

(d) The Underwriter terminates its obligation to purchase the Series of Pool Bonds pursuant to its agreement with the Authority for the purchase of such Series of Pool Bonds.

Neither the Underwriter nor the Authority shall be responsible for the payment of any fees, costs or expenses of the issuance, offering and sale of the District's Note except the Underwriter shall be responsible for California Debt and Investment Advisory Commission fees and for its own internal costs. The fees, costs and expenses that are categorized in the "Costs of Issuance" definition in the Indenture shall be paid from the applicable account in the Costs of Issuance Fund applicable to the Series of Pool Bonds corresponding to the Note. The District shall pay as set forth in the Resolution any additional costs attributable to it other than the fees, costs and expenses so payable from the applicable account in the Costs of Issuance Fund.

Section 8. Limited Liability. Notwithstanding anything to the contrary contained herein or in any series of notes or in any other document mentioned herein or related to the Notes or to any Series of Pool Bonds to which the Note is assigned, neither the County nor the District shall have any liability hereunder or by reason hereof or in connection herewith or with the transactions contemplated hereby except to the extent payable from moneys available therefor as set forth in Section 8 of the Resolution of the District.

Section 9. Credit Agreement. The District hereby agrees to comply with all lawful and proper requests of the Authority in order to enable the Authority to comply with all of the terms, conditions and covenants binding upon it, if any, under the Credit Agreement, if any, applicable to the Note.

Section 10. Default. If any "Event of Default" under the Resolution shall occur, the District, the Trustee and the Credit Provider, if any, shall take the remedial steps as and to the extent provided in the Resolution, the Indenture and the Credit Agreement.

Section 11. Notices. Any notices to be given to the Authority or the Underwriter under the Purchase Agreement shall be given in writing to the Underwriter at the address set forth in Exhibit A. Any notices to be given to the District shall be given in writing to the address specified in Exhibit A.

Section 12. No Assignment. The Purchase Agreement has been made by the District and the Authority, and no person other than the District named in Exhibit A and the Authority or their successors or assigns and the Underwriter shall acquire or have any right under or by virtue of the Purchase Agreement. All of the representations, warranties and agreements contained in the Purchase Agreement shall survive the delivery of and payment by the Authority for the Note and any termination of the Purchase Agreement.

Section 13. Applicable Law. The Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.

Section 14. Effectiveness. The Purchase Agreement shall become effective as to the Note upon the execution hereof and execution of the Pricing Confirmation applicable to such Note by the District, and the Purchase Agreement, including the Pricing Confirmation applicable to such Note, shall be valid, binding and enforceable as to such Note from and after the time of such effectiveness.

Section 15. Severability. In the event any provision of the Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 16. Execution in Counterparts. The Purchase Agreement may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument; provided, however, that each signatory District shall be bound severally and only by and to the extent of the terms of Exhibit A applicable to such District, as incorporated herein.

CALIFORNIA SCHOOL CASH RESERVE PROGRAM AUTHORITY

By_____
[Treasurer]

Accepted:

U.S. BANK NATIONAL ASSOCIATION

By_____
Authorized Officer

EXHIBIT A

Each following page shall be used by the District to execute and enter into the Purchase Agreement between the District (severally and not jointly with other school districts, community college districts and county boards of education) and the California School Cash Reserve Program Authority, and shall bind the District to all of the terms and conditions of this Purchase Agreement, subject to the additional terms of this Exhibit A, including Schedule I.

District: _____

Address: _____
_____

County: _____

Executed and entered into on the Purchase Date set forth in Schedule I attached hereto and incorporated herein.

[SCHOOL] DISTRICT/BOARD OF EDUCATION

By _____
Name:
Title:

SCHEDULE I

PRICING CONFIRMATION SUPPLEMENT
APPLICABLE TO THE NOTE OF SERIES A

School District Information:

School District:	
Address:	
County:	
Managing Underwriter:	Piper Sandler & Co.
Trustee:	U.S. Bank National Association

Terms of the Note:

Priority of Note:	Senior
Note Series	Series A
Series Principal Amount of the Note:	$_____
Priced to Yield:	_____%
Interest Rate (Note Rate):	_____%
Default Rate:	As specified in the Indenture.
Maturity Date:	_____, 20__
Interest Payment Date(s):	_____, 20__
Premium:	$_____
Underwriter's Discount	$_____
Purchase Price (Principal + Premium – UW Discount):	$_____
Costs of Issuance	$_____
Deposit to Proceeds Subaccount (Series A): (net of costs of issuance)	$_____
Amount due at maturity (Principal Amount plus interest)	$_____
Series of Pool Bonds to which Note will be assigned:	[California School Cash Reserve Program Authority 2020-2021 [Senior] Bonds, Series __][, and California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds, Series __]
Purchase Date:	_____, 20__

Closing Date:	_____, 20__

Investment Information:

Bidding Agent:	N/A
Type of Permitted Investment for Proceeds Subaccount and Payment Account related to District:	N/A
Program Investment Rate:	N/A

Approval Information:

Date of School District's Resolution:	_____, 20__
Date of School District's Supplemental Resolution:	N/A
Maximum Borrowing Amount approved by District ("Principal Amount")	$_____
District has Fiscal Accountability Status:	[__ yes __ no]
County adopted Resolution:	[__ yes __ no]

Credit Enhancement:

Type of Credit Instrument:	N/A
Credit Provider:	N/A
Credit Agreement:	N/A
Applicable Series of Pool Bonds	N/A

Repayment Period:

Repayment Period:	_____, 20__ through and including _____, 20__	Percentage of total Series Principal Amount [and interest thereon] due at maturity:	___%

Repayment Period:

First Repayment Period:	_____, 20__ through and including _____, 20__	Percentage of total Series Principal Amount [and interest thereon] due at maturity:	___%

Second Repayment Period:	_____, 20__ through and including _____, 20__	Percentage of total Series Principal Amount and interest thereon due at maturity:	___%

Alternative Provisions Permitted by Resolution:

The following alternative provisions permitted by the Resolution shall apply with respect to the Series A Notes (capitalized undefined terms shall have the meanings ascribed thereto in the Resolution):

1. The Trustee shall transfer to the District's Payment Account relating to its Series A Notes from amounts on deposit in the related Proceeds Subaccount attributed to such Series of Notes on the first day of each Repayment Period, amounts which, taking into consideration anticipated earnings thereon to be received by the Maturity Date, are equal to the percentages of the principal and interest due with respect to such Series of Notes at maturity for the corresponding Repayment Period set forth in the applicable Pricing Confirmation; provided, however, that on the first day of the last Repayment Period designated in such Pricing Confirmation, or, if only one Repayment Period is applicable to the Series A Notes, on the first day of the Repayment Period designated in such Pricing Confirmation, the Trustee shall transfer all remaining amounts in the Proceeds Subaccount attributed to such Series of Notes to the related Payment Account all as and to the extent provided in the Indenture; provided, however, that with respect to the transfer in any such Repayment Period (or single Repayment Period), if said amount in the Proceeds Subaccount attributed to such Series of Notes is less than the corresponding percentage set forth in the Pricing Confirmation applicable to such Series of Notes of the principal and interest due with respect to such Series of Notes at maturity, the Trustee shall transfer to the related Payment Account attributed to such Series of Notes of the District all amounts on deposit in the Proceeds Subaccount attributed to such Series of Notes on the day designated for such Repayment Period.

2. As provided in Section 53857 of the Act, notwithstanding the provisions of Section 53856 of the Act and of subsection (B) of Section 8 of the Resolution, all Series of Notes issued under the Resolution shall be general obligations of the District and, in the event that on the fifth Business Day (as defined in the Indenture) prior to the end of a Repayment Period the District has not received sufficient Unrestricted Revenues to permit the deposit into each Payment Account of the full amount of Pledged Revenues to be deposited therein from said Unrestricted Revenues in such Repayment Period, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of all Series of Notes and the interest thereon, as and when such other moneys are received or are otherwise legally available, in the following order of priority: first, to satisfy pro-rata any deficiencies attributable to any Series of Senior Notes; second, to satisfy pro-rata any deficiencies attributable to any Series of Subordinate Notes (except for any Series of Subordinate Notes described in the next clause); and thereafter, to satisfy any deficiencies attributable to any other Series of Subordinate Notes that shall have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, in such order of priority.

Prior Notes:

Prior tax and revenue anticipation notes for 2020-2021 fiscal year:	None
Seniority Status of Prior Notes:	N/A

Certifications:

The undersigned District officer (the "Authorized Officer") hereby certifies that he/she has reviewed the Purchase Agreement dated the Purchase Date set forth on the first page of this Pricing Confirmation Supplement (the "Purchase Agreement"), by and between the District and the California School Cash Reserve Program Authority, attached hereto and that:

(1) The undersigned has been duly authorized by the Governing Board of the District to execute this Pricing Confirmation Supplement and take the other actions contemplated herein.

(2) The sale of the District's Note as contemplated in the Purchase Agreement, on the terms and conditions set forth in this Pricing Confirmation Supplement, is hereby approved.

(3) The representations, warranties and covenants set forth in Section 5 of the Purchase Agreement and Section 12 of the District's Resolution authorizing the Note are true and correct on and as of the date hereof.

(4) [As of the date hereof, the District has not filed or received a qualified or negative certification in Fiscal Year 2019-2020 within the meaning of Section 42133 of the Education Code of the State of California. The District covenants that it will immediately deliver a written notice to the Authority, Underwriter, the Credit Provider (if applicable) and Bond Counsel (Orrick, Herrington & Sutcliffe LLP) if it (or, in the case of County Boards of Education, the County Superintendent of Schools) files with the County Superintendent of Schools, the County Board of Education or the State Superintendent of Public Instruction or receives from the County Superintendent of Schools or the State Superintendent of Public Instruction a qualified or negative certification applicable to Fiscal Year 2019-2020 or Fiscal Year 2020-2021 prior to the Maturity Date or the Closing Date of the Notes set forth above.]

[ALTERNATIVE PARAGRAPH IF DISTRICT FILED/RECEIVED A QUALIFIED CERTIFICATION]

[(4) As of the date hereof, the District has filed or received a qualified certification (but not a negative certification) in Fiscal Year 2019-2020 within the meaning of Section 42133 of the Education Code of the State of California. The District covenants that it will immediately deliver a written finding that payment of the Note is probable by the County Superintendent of Schools (in the case of a school district) or the Superintendent of Public Instruction (in the case of a county office of education) to the Trustee, the Underwriter, the Credit Provider (if applicable), and Bond Counsel (Orrick, Herrington & Sutcliffe LLP). The District also covenants that it will immediately deliver a written notice to the Trustee, the Underwriter, the Credit Provider (if applicable) and Bond Counsel if it (or, in the case of County Boards of Education, the County Superintendent of

Schools) files with the County Superintendent of Schools, the County Board of Education or the State Superintendent of Public Instruction, or receives from the County Superintendent of Schools or the State Superintendent of Public Instruction, a negative certification applicable to Fiscal Year 2019-2020 or a qualified or negative certification applicable to Fiscal Year 2020-2021 prior to the Maturity Date or the Closing Date of the Notes set forth above.]

(5) As of the date hereof, (A) the aggregate amount of all tax-exempt obligations (including any tax-exempt leases, but excluding private activity bonds), issued and to be issued by the District (and all subordinate entities of the District) during calendar year 20__, including the Series Principal Amount of the Note, is not reasonably expected to exceed $15,000,000 and (B) the Series Principal Amount of the Note, together with the aggregate amount of all tax-exempt obligations not used to finance school construction (including any tax-exempt leases, but excluding private activity bonds) issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 20__, is not reasonably expected to exceed $5,000,000. The District has not and will not undertake any actions with the primary purpose of increasing the size of the District's Note.

[ALTERNATIVE PARAGRAPH IF DISTRICT WILL BE SAFE HARBOR ISSUER]

[(5) The District covenants that it shall make all calculations in a reasonable and prudent fashion relating to any rebate of excess investment earnings on the proceeds of the Note due to the United States Treasury, shall segregate and set aside from lawfully available sources the amount such calculations may indicate may be required to be paid to the United States Treasury, and shall otherwise at all times do and perform all acts and things necessary and within its power and authority, including complying with the instructions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel referred to in Section 7 of the Resolution, to assure compliance with the rebate requirement (the "Rebate Requirement") contained in Section 148(f) of the Code. If the balance in the Proceeds Subaccount treated for federal tax purposes as proceeds of the Note attributable to cash flow borrowing is not low enough to qualify amounts held in the Proceeds Subaccount for an exception from the Rebate Requirement on at least one date within the six month period following the date of issuance of the Note (calculated in accordance with Section 7 of the Resolution and Section III of the District Certificate), the District will reasonably and prudently calculate the amount, if any, of investment profits which must be rebated to the United States and will immediately set aside, from revenues attributable to the Fiscal Year 2020-2021 or, to the extent not available from such revenues, from any other moneys lawfully available, the amount of any such rebate in the Rebate Fund referred to in Section 13(B) of the Resolution. In addition, in such event, the District shall establish and maintain with the Trustee a fund separate from any other fund established and maintained under the Resolution and Indenture designated as the 2020-2021 Tax and Revenue Anticipation Note Rebate Fund" or such other name as the Indenture may designate. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein in accordance with the written instructions from Bond Counsel pursuant to Section 7 of the Resolution.]

(6) The District covenants that it will not issue any additional tax and revenue anticipation notes during Fiscal Year 2020-2021 unless such additional notes are issued in compliance with Section 2(B) of such Note Resolution.

(7) The District covenants that it will promptly notify the Credit Provider, if any, the Underwriter and the Authority if (i) any State aid to the District is rescinded, (ii) the District voluntarily elects to have any such State aid deposited directly with the Trustee, (iii) the District changes any such direct deposit, or (iv) any event occurs which constitutes an Event of Default under the Resolution or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

(8) I have reviewed the Preliminary Official Statement accompanying this Pricing Confirmation Supplement and, on behalf of the District, the information contained therein relating to the District does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(9) The Trustee is hereby authorized to fill in any blank spaces contained in the District's series of Notes, in conformity with Section 9 of the Resolution and this Pricing Confirmation Supplement.

(10) I have read the Indenture accompanying this Pricing Confirmation Supplement and approve all terms thereof and any changes made to the form approved pursuant to Section 5 of the Resolution. The District acknowledges that the Authority is authorized to execute the Indenture, to assign the Series of Notes to the Trustee under the Indenture and to issue the Series of Pool Bonds pursuant to the Indenture.

(11) In order to assist the Authority in fulfilling its obligation to timely report the occurrence of certain enumerated events as set forth in Rule 15c2-12(b)(5) adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the District hereby obligates itself to report (within 5 business days of the occurrence thereof) to the Authority and U.S. Bank National Association, as trustee, the occurrences of the following events: (i) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation (as defined below) of the District, any of which reflect financial difficulties, and (ii) the incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material.

"Financial Obligation" means (i) a debt obligation (i.e., short-term and long-term obligations under the terms of an indenture, loan agreement, lease or similar contract, regardless of the length of the debt obligation's repayment period), (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of a debt obligation or derivative instrument.

"Financial Obligation" does not include (i) ordinary financial and operating liabilities incurred in the normal course of business by an issuer, or (ii) municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system and for which the District has entered into a continuing disclosure agreement.

(12) If the Permitted Investment is the Investment Agreement, I have read the draft Investment Agreement (in substantially final form) accompanying this Pricing Confirmation Supplement and, on behalf of the District, approve their terms and authorize and request the Trustee to enter into the Investment Agreement.

(13) The following officers of the District hold their respective offices as of this date and will hold their respective offices as of _____, 20__:

[List signatories to Resolution's Secretary's Certificate, Note (if applicable), Purchase Agreement, and District Closing Certificate]

(If any of the foregoing individuals no longer holds his/her respective office, please cross out the name of such person and print above it the name of the person succeeding to that office.)

Agreed and accepted to on the Purchase Date set forth above.

School District/Board of Education
DISTRICT/BOARD OF EDUCATION

By: _____
Name:
Title:

INDENTURE

by and between

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

and

CALIFORNIA SCHOOL CASH RESERVE PROGRAM AUTHORITY

Dated as of _____ 1, 20__

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS; EQUAL SECURITY 3

Section 1.01. Definitions 3

Section 1.02. Indenture Constitutes a Contract; Obligation of Indenture and Bonds 14

Section 1.03. Pledge Effected by Indenture 15

ARTICLE II CONDITIONS AND TERMS OF BONDS 16

Section 2.01. Initial Issuance of Bonds 16

Section 2.02. Denominations, Medium and Method and Place of Payment and Dating of Bonds 17

Section 2.03. Terms of the Bonds 17

Section 2.04. Form of Bonds 18

Section 2.05. Execution of Bonds 18

Section 2.06. Transfer and Exchange of Bonds 18

Section 2.07. Bond Registration Books 18

Section 2.08. Temporary Bonds 19

Section 2.09. Bonds Mutilated, Destroyed. Lost or Stolen 19

Section 2.10. Special Covenants as to Book-Entry Only System 20

Section 2.11. Registration of Bonds Held Wholly in the Name of a Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider 21

Section 2.12. Issuance of Additional Bonds 22

ARTICLE III PROCEEDS OF BONDS 24

Section 3.01. Delivery of Bonds 24

Section 3.02. Establishment of Funds and Accounts; Deposit of Bond Proceeds 24

Section 3.03. Use of Money in the Costs of Issuance Fund and the Proceeds Fund 25

ARTICLE IV TRUSTEE'S DUTIES REGARDING NOTES 28

Section 4.01. Authenticating Agent 28

Section 4.02. Registrar and Paying Agent 29

Section 4.03. Cancellation of Paid Notes 29

TABLE OF CONTENTS
(continued)

Page

ARTICLE V NOTE PAYMENTS....29
Section 5.01. Assignment of Notes....29
Section 5.02. Transfer of Money from the Bond Payment Fund....31
Section 5.03. Investments....32
ARTICLE VI CREDIT INSTRUMENTS, SUPPLEMENTAL CREDIT ENHANCEMENTS AND SUBORDINATE CREDIT INSTRUMENTS....33
Section 6.01. Provisions Applicable to a Letter of Credit or Policy of Insurance as Supplemental Credit Enhancement or Credit Instrument....33
Section 6.02. Credit Instrument and Supplemental Credit Enhancement....35
Section 6.03. Draws under or Payments Pursuant to or in Connection With Subordinate Credit Instrument....36
Section 6.04. Subordinate Credit Instrument....38
Section 6.05. [Provisions Relating to the Series A Subordinate Credit Provider....39
ARTICLE VII COVENANTS....40
Section 7.01. Compliance with Indenture....40
Section 7.02. Amendment of Notes....40
Section 7.03. Observance of Laws and Regulations....41
Section 7.04. Tax Covenants....41
Section 7.05. Liens....42
Section 7.06. Accounting Records and Statements....42
Section 7.07. Recordation and Filing....42
Section 7.08. Further Assurances....43
Section 7.09. Satisfaction of Predefault Obligations....43
Section 7.10. Rebate Fund....43
ARTICLE VIII DEFAULT AND LIMITATIONS OF LIABILITY....45
Section 8.01. Action on Default....45
Section 8.02. Other Remedies of the Trustee....45
Section 8.03. Non-Waiver....46
Section 8.04. Application of Funds....46

TABLE OF CONTENTS
(continued)

Page

Section 8.05. Remedies Not Exclusive; Supplemental Credit Enhancer's, Credit Provider's or Subordinate Credit Provider's Control of Remedies....47
Section 8.06. Exercise of Remedies....47
Section 8.07. Limited Liability of the Authority....48
Section 8.08. Limited Liability of the Districts....48
Section 8.09. Limited Liability of the Trustee....48
ARTICLE IX THE TRUSTEE....48
Section 9.01. Employment and Duties of the Trustee....48
Section 9.02. Removal and Resignation of the Trustee....49
Section 9.03. Compensation of the Trustee....50
Section 9.04. Protection of the Trustee....50
Section 9.05. Notices to Rating Agencies....51
ARTICLE X AMENDMENT OF OR SUPPLEMENT TO THE INDENTURE....52
Section 10.01. Amendment or Supplement of Indenture....52
Section 10.02. Disqualified Bonds....53
Section 10.03. Procedure for Amendment with Written Consent of the Owners Each Supplemental Credit Enhancer Each Credit Provider and/or Each Subordinate Credit Provider....53
Section 10.04. Endorsement or Replacement of Bonds after Amendment or Supplement....54
Section 10.05. Amendment or Supplement by Mutual Consent....54
ARTICLE XI DEFEASANCE....55
Section 11.01. Discharge of Bonds and Indenture....55
Section 11.02. Unclaimed Money....56
ARTICLE XII MISCELLANEOUS....56
Section 12.01. Benefits of the Indenture Limited to Parties....56
Section 12.02. Successor Deemed Included in All References to Predecessor....56
Section 12.03. Execution of Documents by Owners....56
Section 12.04. Waiver of Personal Liability; No Liability of Authority Members....57
Section 12.05. Content of Certificates; Post-Issuance Legal Opinions....57

TABLE OF CONTENTS
(continued)

Page

Section 12.06.	Notice by Mail	58
Section 12.07.	Funds	58
Section 12.08.	Continuing Disclosure	58
Section 12.09.	Article and Section Headings, Gender and References	59
Section 12.10.	Partial Invalidity	59
Section 12.11.	California Law	59
Section 12.12.	Notices	59
Section 12.13.	Effective Date	60
Section 12.14.	Execution in Counterparts	60

SCHEDULE I - Participating Districts and Boards of Education

SCHEDULE II - Initial Deposits to Districts' Proceeds Subaccounts

EXHIBIT A-1 - Form of Senior Bond A-1-1

EXHIBIT A-2 - Form of Subordinate Bond A-2-1

EXHIBIT B - Form of Requisition from Proceeds Account B-1

INDENTURE

This Indenture (the "Indenture"), dated as of _____ 1, 20__, by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee"), and the CALIFORNIA SCHOOL CASH RESERVE PROGRAM AUTHORITY (the "Authority");

W I T N E S S E T H:

WHEREAS, the school districts, community college districts and county boards of education named in Schedule I hereto (with such other school districts, community college districts and county boards of education as may be identified in a Supplemental Indenture, collectively, the "Districts") have determined to issue one or more Series of Tax and Revenue Anticipation Notes, each series having the same maturity date and, with respect to the initial series, in the respective principal amounts set forth in Schedule I hereto (the "Series A Notes," and with such other Additional Notes (as hereinafter defined) as may be identified in a Supplemental Indenture, individually, a "Note" and, collectively, the "Notes"); and

WHEREAS, the Districts have determined to sell such Series of Notes to the Authority, and to participate in the California School Cash Reserve Program (the "Program"); and

WHEREAS, each District has acknowledged the pooling of each Series of its Notes with certain Series of Notes issued by other Districts participating in the Program, and the assignment by the Authority of such Notes to the Trustee to secure payment of one or more series of bonds issued under this Indenture, as supplemented by Supplemental Indentures (each, a "Series of Bonds") corresponding to such Series of Notes, in order to achieve a lower net interest cost and lower costs associated with issuing the Notes; and

WHEREAS, with respect to the Series A Notes issued on _____, 20__, the Authority will issue its California School Cash Reserve Program Authority 2020-2021 Senior Bonds, Series A (the "Series A Senior Bonds") [and its California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds, Series A (the "Series A Subordinate Bonds")] under this Indenture ([collectively,] the "Series A Bonds"); and

WHEREAS, each District has entered into an initial purchase agreement with the Authority pursuant to which the Authority has agreed to purchase such District's Series A Notes and in connection therewith issue the Series A Bonds to finance the purchase of such Series A Notes; and

WHEREAS, each District has acknowledged that the Authority will enter into this Indenture and will issue the Series A Bonds secured pursuant to the terms hereof by its Series A Notes; and

WHEREAS, certain Districts may issue additional Series of Notes (the "Additional Notes") from time to time to be purchased by the Authority and assigned to the Trustee to secure the payment of additional series of bonds (the "Additional Bonds" and collectively with the Series A Bonds, the "Bonds") issued pursuant to this Indenture and one or more supplemental

indentures (each a "Supplemental Indenture" and together with the Indenture, the "Indenture"); and

WHEREAS, pursuant to the Program and the Indenture, the Authority has assigned and will assign its interest in each respective Series of Notes to the Trustee to secure the payment of the corresponding Series of Bonds; and

WHEREAS, the Trustee, pursuant hereto, accepts the assignment of the Series A Notes and all duties, obligations and trusts of the Trustee established in this Indenture; and

WHEREAS, the Trustee, pursuant to a Supplemental Indenture, will accept the assignment of each series of Additional Notes, if any; and

WHEREAS, each Series of senior Bonds, consisting of the Series A Senior Bonds and all Additional Senior Bonds (as hereinafter defined) (collectively, the "Senior Bonds") may be secured by any credit facility ([the "Series A Credit Instrument" and an "Additional Credit Instrument," respectively, and] each a "Credit Instrument") identified by type and provided by the entity [designated as the "Series A Credit Provider" or an "Additional Credit Provider," respectively] (each a "Credit Provider"), in Schedule I hereto with regard to the Series A Bonds or in a Supplemental Indenture with regard to a Series of Additional Senior Bonds; and

WHEREAS, each Series of subordinate Bonds[, if any], consisting of [the Series A Subordinate Bonds and] all Additional Subordinate Bonds (as hereinafter defined) (collectively, the "Subordinate Bonds"), relating to a corresponding Series of Senior Bonds, may be secured by any credit facility ([the "Series A Subordinate Credit Instrument" and] an "Additional Subordinate Credit Instrument," [respectively,] and each a "Subordinate Credit Instrument") identified by type and provided by the entity [designated as [the "Series A Subordinate Credit Provider" or] an "Additional Subordinate Credit Provider,"] [respectively] (each a "Subordinate Credit Provider"), [in Schedule I hereto with regard to the Series A Bonds or] in a Supplemental Indenture with regard to any Additional Subordinate Bonds; and

WHEREAS, the Authority has determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of the Indenture and delivery of the Series A Bonds do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into the Indenture;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this section shall, for all purposes hereof and of any amendment hereof or supplement hereto and of the Bonds and of any Certificate, opinion, Request or other document mentioned herein or therein, have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein (provided that the respective Credit Instrument(s), Supplemental Credit Enhancement(s) and/or Subordinate Credit Instrument(s) and the respective Credit Agreement(s), Supplemental Credit Enhancement Agreement(s) and/or Subordinate Credit Agreement(s) shall be governed by the definitions set forth therein):

"**Additional Bonds**" means, collectively, all Additional Senior Bonds and all Additional Subordinate Bonds.

"**Additional Credit Agreement**" means the agreement or commitment letter, if any, designated in a Supplemental Indenture as the credit agreement for the corresponding Series of Additional Senior Bonds.

"**Additional Credit Instrument**" means the instrument, if any, designated in a Supplemental Indenture as the credit instrument for a corresponding Series of Additional Senior Bonds.

"**Additional Credit Provider**" means the credit provider, if any, designated in a Supplemental Indenture as the credit provider for the corresponding Series of Additional Senior Bonds.

"**Additional Interest Payment Date**" means each date on which interest on a Series of Additional Bonds and the corresponding Series of Notes becomes due and payable, as specified in the applicable Supplemental Indenture.

"**Additional Investment Agreement**" means an investment agreement pursuant to which, initially, all or a portion of the proceeds of the corresponding Series of Additional Bonds are to be invested, executed and delivered by the Trustee on behalf of each of the Districts whose Series of Additional Notes are assigned to such corresponding Series of Additional Bonds.

"**Additional Notes**" means, collectively, the tax and revenue anticipation notes issued by one or more Districts in the respective Series and aggregate principal amounts thereof (whether or not such Notes are the first or a subsequent Series of Notes issued by each such District), as set forth in a Supplemental Indenture and assigned to an Additional Pool securing each corresponding Series of Additional Bonds.

"**Additional Pool**" means each pool composed of Additional Notes of a Series assigned to and securing the payment of a Series of Additional Senior Bonds and, if applicable, the corresponding Series of Additional Subordinate Bonds.

"**Additional Principal Payment Date**" means each date on which the principal on a Series of Additional Bonds and the corresponding Series of Notes becomes due and payable, as specified in the applicable Supplemental Indenture.

"**Additional Senior Bonds**" means all California School Cash Reserve Program Authority 2020-2021 Senior Bonds of the Authority (other than the Series A Senior Bonds) authorized by and at any time Outstanding pursuant hereto and a Supplemental Indenture, and executed, issued and delivered from time to time in connection with a Pool in accordance with Section 2.12 hereof.

"**Additional Series Pledged Accounts**" means, with respect to each Series of Additional Bonds, the Costs of Issuance Account relating to such Series of Additional Bonds, the Proceeds Subaccounts for each Series of Additional Notes assigned to the Additional Pool relating to such Series of Additional Bonds, the Payment Accounts for each Series of Additional Notes assigned to the Additional Pool relating to such Series of Additional Bonds, the Senior Interest Account relating to such Series of Additional Bonds, the Senior Principal Account relating to such Series of Additional Bonds, the Senior Credit Account, if any, relating to such Series of Additional Bonds, the Subordinate Interest Account, if any, relating to such Series of Additional Bonds, the Subordinate Principal Account, if any, relating to such Series of Additional Bonds, and the Subordinate Credit Account, if any, relating to such Series of Additional Bonds.

"**Additional Subordinate Bonds**" means all California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds of the Authority [(other than the Series A Subordinate Bonds)] authorized by and at any time Outstanding pursuant hereto and a Supplemental Indenture, and executed, issued and delivered from time to time in accordance with Section 2.12 hereof.

"**Additional Subordinate Credit Agreement**" means the agreement, if any, designated in a Supplemental Indenture as the credit agreement for the corresponding Series of Additional Subordinate Bonds.

"**Additional Subordinate Credit Instrument**" means the instrument, if any, designated in a Supplemental Indenture as the credit instrument for the corresponding Series of Additional Subordinate Bonds.

"**Additional Subordinate Credit Provider**" means the entity, if any, designated in a Supplemental Indenture as the credit provider for the corresponding Series of Additional Subordinate Bonds.

"**Additional Supplemental Credit Enhancement**" means the instrument, if any, designated in a Supplemental Indenture as the supplemental credit enhancement for the corresponding Series of Additional Senior Bonds.

"**Additional Supplemental Credit Enhancement Agreement**" means the agreement, if any, designated in a Supplemental Indenture as the supplemental credit enhancement agreement for the corresponding Series of Additional Senior Bonds.

"**Additional Supplemental Credit Enhancer**" means the entity designated in a Supplemental Indenture as the provider of the Additional Supplemental Credit Enhancement.

"**Authority**" means the California School Cash Reserve Program Authority, duly organized and existing under and by virtue of the laws of the State of California.

"**Authorized District Representative**" means the President, Chair, Secretary or Clerk of the governing board of a District, the Superintendent of a District, or such other officers of a District designated in Section 4 of the District's Note Resolution, or any other person at the time designated to act on behalf of such District by written certificate furnished to the Trustee, containing the specimen signature of such person and signed on behalf of such District by the Chair, President, Clerk or the Secretary of the governing board of such District, or the Superintendent of such District.

"**Bond Payment Fund**" means the fund by that name established in Section 3.02.

"**Bonds**" means, collectively, the Series A Bonds and all Additional Bonds.

"**Business Day**" means any day except (i) Saturday, (ii) Sunday or (iii) any day on which banks located in the city in which the designated trust office of the Trustee or the principal office of the applicable Credit Provider, Supplemental Credit Enhancer or Subordinate Credit Provider is located, or in San Francisco, California or Los Angeles, California, or New York, New York, are required or authorized to remain closed.

"**Certificate**" or "**Request**" means, with respect to a District, an instrument in writing signed on behalf of such District by an Authorized District Representative, and with respect to the Authority, an instrument in writing signed on behalf of the Authority by its Chair, Secretary, Treasurer or Executive Director or other person at the time designated to act on behalf of the Authority by written certificate furnished to the Trustee.

"**Code**" means the Internal Revenue Code of 1986 and the regulations issued or applicable thereunder.

"**Continuing Disclosure Agreement**" means, collectively, each Continuing Disclosure Agreement between the Authority and the Dissemination Agent, dated the date of issuance and delivery of the corresponding Series of Senior Bonds and/or Series of Subordinate Bonds, as the case may be, as originally executed and as it may be amended or supplemented from time to time in accordance with the terms thereof.

"**Costs of Issuance**" means all items of expense directly or indirectly payable by or reimbursable to a District or the Authority and related to the authorization, execution and delivery of each Series of Notes and the related sale of a Series of Bonds, which may include, but are not limited to, any fees, costs or premium for each Credit Provider's Credit Instrument, each Supplemental Credit Enhancer's Supplemental Credit Enhancement and each Subordinate Credit Provider's Subordinate Credit Instrument, costs of preparation, reproduction and delivery of documents, filing and recording fees, fees and charges of the Trustee, Trustee counsel fees, bond counsel fees and charges, other legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution, safekeeping and delivery of the applicable Series of Bonds and any other costs, charges or fees (including any supplemental credit enhancement on any individual Note) in connection with the original issuance of a Series of Notes and the applicable Series of Bonds.

"Costs of Issuance Account" means each Costs of Issuance Account created in the Costs of Issuance Fund under Section 3.02 relating to a Series of Bonds.

"**Costs of Issuance Fund**" means the fund by that name established in Section 3.02.

"**Credit Agreement**" means, collectively, the Series A Credit Agreement, if any, and each Additional Credit Agreement.

"**Credit Fund**" means the fund of that name created by Section 3.02.

"**Credit Instrument**" means, collectively, the Series A Credit Instrument, if any, for the Series A Senior Bonds and each Additional Credit Instrument for the corresponding Series of Additional Senior Bonds.

"**Credit Provider**" means, collectively, the Series A Credit Provider, if any, and each Additional Credit Provider.

"**Default Rate**" means the rate of interest per annum payable with respect to the outstanding portion of each Defaulted Note which (i) if the Defaulted Note is paid in whole or in part by an unreimbursed draw or claim or payment under or from a Credit Instrument, Supplemental Credit Enhancement and/or a Subordinate Credit Instrument applicable thereto, is the rate of interest per annum specified in, and calculated in accordance with, the corresponding Credit Agreement, Supplemental Credit Enhancement Agreement or Subordinate Credit Agreement, as applicable, or (ii) if the Defaulted Note is unpaid and no Credit Instrument, Supplemental Credit Enhancement or Subordinate Credit Instrument is applicable thereto, is the rate of interest per annum sufficient to produce a yield on the outstanding portion of such Defaulted Note equal to the rate or, in the case of a Series of Bonds consisting of a Series of Senior Bonds and a Series of Subordinate Bonds, the rates of interest payable on the applicable Series of Bonds (or applicable portions thereof), computed on the basis of a 360-day year consisting of twelve thirty-day months.

"**Defaulted Note**" means a Note (i) the principal of and/or interest on which has been paid in whole or in part with the proceeds of a drawing, claim or payment under or from the applicable Credit Instrument, Supplemental Credit Enhancement and/or Subordinate Credit Instrument which drawing, claim or payment remains not fully reimbursed on the applicable Interest Payment Date or Principal Payment Date, or (ii) any of the principal of or interest on which is not paid on the applicable Principal Payment Date.

"**Dissemination Agent**" means U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, or any successor dissemination agent under the terms of any Continuing Disclosure Agreement applicable to the Bonds.

"**Districts**" means the California school districts, community college districts and county boards of education listed in Schedule I hereto with regard to the Series A Bonds and in a Supplemental Indenture with regard to Additional Bonds, and, where applicable, the counties electing to be the issuers of the Notes for the school districts that are not fiscally accountable, and in each case their successors and assigns.

"**DTC**" means The Depository Trust Company, New York, New York.

"**Event of Default**" shall have the meaning ascribed thereto in Section 8.01 hereof and in each Note Resolution.

"**Financial Advisor**" means Dale Scott & Company and its successors and assigns or such other financial advisory firm appointed by the Authority.

"**Indenture**" means this Indenture, dated as of _____ 1, 20__, by and between the Trustee and the Authority, as originally executed and entered into and as it may from time to time be amended or supplemented in accordance herewith.

"**Interest Payment Date**" means each Series A Interest Payment Date, and each Additional Interest Payment Date.

"**Investment Agreement**" means, collectively, the Series A Investment Agreement, if any, and each Additional Investment Agreement.

"**Maturity Date**" means the date on which the principal of and interest on a Note become due and payable.

"**Moody's**" means Moody's Investors Service, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

"**Note Resolutions**" means the respective resolutions adopted by the governing boards of the Districts and, where applicable (and if a respective county elected to do so), in the case of school districts, community college districts and county boards of education that are not fiscally accountable, the respective resolutions adopted by the county boards of supervisors, in each case authorizing the issuance of Notes in one or more Series and approving the execution and delivery of this Indenture, any Supplemental Indenture and the Bonds, as originally adopted and as it may from time to time be amended or supplemented in accordance therewith.

"**Notes**" means, collectively, the Series A Notes and all Additional Notes.

"**Opinion of Counsel**" means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed by the Authority.

"**Outstanding**," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 10.02) all Bonds except—

(1) Bonds cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Bonds paid or deemed to have been paid within the meaning of Section 11.01; and

(3) Bonds in lieu of or in exchange or substitution for which other Bonds shall have been authenticated and delivered by the Trustee hereunder.

"**Owner**" means the registered owner of any Outstanding Bond.

"**Payment Account**" means each account created in the Bond Payment Fund under Section 3.02 relating to a Series of Notes.

"**Permitted Investments**" means any of the following to the extent then permitted by law and approved by the applicable Credit Provider, Supplemental Credit Enhancer and Subordinate Credit Provider, if any:

(1) United States of America Treasury bills, notes, bonds or certificates of indebtedness, or obligations of, or obligations guaranteed directly or indirectly as to full and timely payment, by the United States of America or securities or other instruments evidencing ownership interest in such obligations and rated in the highest applicable rating category by the Rating Agency then rating the applicable Series of Senior Bonds or in specified portions of the interest on or principal of such obligations stripped at Treasury level;

(2) Any obligations which are then legal investments for moneys of the Districts under the laws of the State of California; provided, that if such investments are not fully insured by the Federal Deposit Insurance Corporation, such investments shall be, or shall be issued by entities the debt securities of which are, rated in the highest short-term (with regard to any modifiers) or one of the two highest long-term rating categories by Moody's and S&P, (or whichever one of them is then rating the applicable Series of Senior Bonds);

(3) Units of a money-market fund portfolio composed solely of obligations guaranteed by the full faith and credit of the United States of America rated in one of the two highest rating categories by Moody's and S&P (or whichever one of them is then rating the applicable Series of Senior Bonds);

(4) Units of a money-market fund portfolio rated in the highest rating category by S&P and Moody's;

(5) The applicable Investment Agreement or any substitute therefor (with, if applicable, the consent of the applicable Credit Provider, Supplemental Credit Enhancer or Subordinate Credit Provider) which substitution results in a maintenance of the original rating on the applicable Series of Senior Bonds; provided such agreement is with a financial entity (the "Provider"), or with a financial entity whose obligations are guaranteed or insured by a financial entity (the "Guarantor"), the Provider's or the Guarantor's senior debt or investment contracts or obligations under its investment contracts being rated in one of the two highest long-term rating categories by Moody's and S&P (or whichever one of them is then rating the applicable Series of Senior Bonds) or whose commercial paper rating is in the highest rating category (with regard to any modifiers) of each such rating agencies (or whichever one of them is then rating the applicable Series of Senior Bonds) or is fully collateralized by investments listed in subsection (1) hereof as required by S&P and Moody's (or whichever one of them is then rating the applicable Series of Senior Bonds) to be rated in one of the two highest rating categories;

(6) Any other prudent investment rated in one of the two highest rating categories by Moody's and S&P (or whichever one of them is then rating the applicable Series of Senior Bonds)

approved by the applicable Credit Provider, Supplemental Credit Enhancer or Subordinate Credit Provider, and the Authority;

(7) The Local Agency Investment Fund managed by the office of the Treasurer of the State of California; or

(8) Any County Treasury of a County in which the District is situated, the proceeds of whose note are to be invested, provided that the investment of such proceeds by the applicable County Treasurer is made in compliance with California Government Code Section 53601.

"**Pool**" means, collectively, the Series A Pool and each Additional Pool.

"**Pool Interest Fund**" means the fund by that name established in Section 3.02.

"**Pool Principal Fund**" means the fund by that name established in Section 3.02.

"**Predefault Obligations**" means, with respect to any individual Series of Bonds, (i) the respective obligations owed to the applicable Supplemental Credit Enhancer and Credit Provider or Subordinate Credit Provider under the corresponding Supplemental Credit Enhancement Agreement and Credit Agreement or Subordinate Credit Agreement, respectively and, as the case may be, by the respective Districts whose Series of Notes have been assigned to the Pool securing such Series of Bonds, (ii) all indemnification to the applicable Supplemental Credit Enhancer and Credit Provider or Subordinate Credit Provider, as the case may be, by such respective Districts, (iii) all other amounts due to the applicable Supplemental Credit Enhancer and Credit Provider or Subordinate Credit Provider by such respective Districts under the corresponding Supplemental Credit Enhancement Agreement and Credit Agreement or Subordinate Credit Agreement, as applicable (including interest on overdue Predefault Obligations to the extent permitted by law), and (iv) if applicable, all fees and expenses of the applicable Supplemental Credit Enhancer and Credit Provider or Subordinate Credit Provider under the corresponding Supplemental Credit Enhancement Agreement and Credit Agreement or Subordinate Credit Agreement, as applicable, to the extent they are not Costs of Issuance, becoming due prior to an Event of Default under the respective Note Resolutions.

"**Pricing Confirmation**" means, collectively, those certain pricing confirmation supplements executed at the time of pricing each Series of Notes and attached as Schedule I to the Purchase Agreement applicable to such Series of Notes.

"**Principal Office of the Trustee**" means the principal corporate trust office of the Trustee, which, for the Trustee initially appointed hereunder, is located in Los Angeles, California; provided that for transfer, exchanges, payment and registration of Bonds, "Principal Office of the Trustee" shall mean the corporate trust office of U.S. Bank National Association in Los Angeles, California, or such other office specified by the Trustee.

"**Principal Payment Date**" means the Series A Principal Payment Date, and each Additional Principal Payment Date.

"**Proceeds Fund**" means the fund by that name established in Section 3.02.

"**Proceeds Subaccount**" means each Proceeds Subaccount created in the Proceeds Fund under Section 3.03(b) relating to a Series of Notes.

"**Program**" means the California School Cash Reserve Program pursuant to which one or more Series of Senior Bonds and[, if applicable,] one or more Series of Subordinate Bonds are issued by the Authority to assist Districts in financing cash flow deficits.

"**Purchase Agreement**" means, collectively, those certain Purchase Agreements by and between the respective Districts and the Authority relating to the purchase of the applicable Series of Notes by the Authority.

"**Purchaser**" means Piper Sandler Corporation, and such other underwriters as may be approved by the Authority, collectively, as underwriters and purchasers of each Series of Senior Bonds and each Series of Subordinate Bonds under and pursuant to the applicable Senior Purchase Contract and the applicable Subordinate Purchase Contract, respectively.

"**Rating Agency**" means Moody's and S&P or whichever one of them is then rating the applicable Series of Senior Bonds and Series of Subordinate Bonds, if any.

"**Rebate Fund**" means the fund by that name established in Section 7.10.

"**Reimbursement Obligations**" means with respect to an individual Series of Bonds (i) the respective obligations of the respective Districts issuing a Series of Notes that have been assigned to the Pool securing such Series of Bonds under the corresponding Supplemental Credit Enhancement Agreement and Credit Agreement or Subordinate Credit Agreement, as applicable, including, without limitation, obligations evidenced by Defaulted Notes, (ii) all indemnification to the corresponding Supplemental Credit Enhancer and Credit Provider or Subordinate Credit Provider, as applicable, by such respective Districts, (iii) all other amounts at any time due to the corresponding Supplemental Credit Enhancer and Credit Provider or Subordinate Credit Provider, as applicable, by such respective Districts under the Supplemental Credit Enhancement Agreement and Credit Agreement or Subordinate Credit Agreement, as applicable, (including any Predefault Obligations and interest on any overdue Reimbursement Obligations to the extent permitted by law), and, (iv) if applicable, all fees and expenses of the corresponding Supplemental Credit Enhancer and Credit Provider or Subordinate Credit Provider, as applicable, under the Supplemental Credit Enhancement Agreement and Credit Agreement or Subordinate Credit Agreement, as applicable, exclusive of Costs of Issuance, becoming due as a result of or after an Event of Default under the respective Note Resolutions.

"**Repayment Period**" shall have the meaning ascribed to such term in the Note Resolutions.

"**Representation Letter**" means that certain blanket letter of representations, dated June 28, 1996, addressed to DTC, and pertaining to the issuance of Bonds in book-entry form.

"Requisition" means a request for payment from the Trustee made by a District, in the form set forth in Exhibit B.

"**S&P**" means Standard & Poor's, a division of the McGraw-Hill Companies, Inc., and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

"**Senior Bonds**" means, collectively, the Series A Senior Bonds and all Additional Senior Bonds.

"**Senior Credit Account**" means each account by that name established in Section 3.02.

"**Senior Interest Account**" means each account by that name established in Section 3.02.

"**Senior Principal Account**" means each account by that name established in Section 3.02.

"**Senior Purchase Contract**" means each purchase contract between the Authority and the Purchaser and relating to the purchase of the applicable Series of Senior Bonds by the Purchaser thereof, which may also constitute the Subordinate Purchase Contract for the related Series of Subordinate Bonds.

"**Series**" means any individual series of Bonds or Notes, as designated in this Indenture, a Supplemental Indenture or a Note Resolution, as applicable.

"**Series A Bonds**" means[, collectively,] the Series A Senior Bonds [and the Series A Subordinate Bonds, if any].

"**Series A Costs of Issuance Account**" means the account by that name established in Section 3.02.

"**Series A Credit Agreement**" means the agreement or commitment letter, if any, designated in Schedule I hereto as the Credit Agreement with respect to the Series A Senior Bonds.

"**Series A Credit Instrument**" means the instrument, if any, designated in Schedule I hereto as the Credit Instrument with respect to the Series A Senior Bonds.

"**Series A Credit Provider**" means the credit provider, if any, designated in Schedule I hereto as the Credit Provider with respect to the Series A Senior Bonds.

"**Series A Interest Payment Date**" means each date on which interest on the Series A Bonds and the corresponding Series A Notes becomes due and payable, being _____, 20__ [and _____, 20__].

"**Series A Investment Agreement**" means that certain Investment Agreement, if any, identified in [(i)] the Pricing Confirmations [or (ii) with the consent of the Series A Subordinate Credit Provider, Requests of Districts requesting the investment of their Series A Payment Accounts and Series A Proceeds Subaccounts and meeting the requirements of a substitute Investment Agreement contained in clause (5) of the definition of Permitted Investments herein, in either case,] relating to the Series A Notes assigned to the Series A Pool securing the Series A

Bonds pursuant to which net proceeds of a portion of the Series A Bonds are to be invested, as executed and delivered by the Trustee on behalf of each of the applicable Districts.

"**Series A Notes**" means the tax and revenue anticipation notes issued by the Districts in the respective Series and aggregate principal amounts thereof, as described in Schedule I hereto and assigned to the Series A Pool securing the Series A Bonds.

"**Series A Pledged Accounts**" means, with respect to the Series A Bonds, the Series A Costs of Issuance Account, the Proceeds Subaccounts for each Series of Notes assigned to the Series A Pool, the Payment Accounts for each Series of Notes assigned to the Series A Pool, the Series A Senior Interest Account[, the Series A Senior Principal Account, [the Series A Senior Credit Account,] the Series A Subordinate Interest Account, the Series A Subordinate Principal Account] and [the Series A Subordinate Credit Account].

"**Series A Pool**" means the pool composed of Series A Notes assigned to and securing the payment of the Series A Bonds.

"**Series A Principal Payment Date**" means the date on which the principal of the Series A Bonds and the corresponding Series A Notes becomes due and payable, being _____, 20__.

"**Series A Senior Bonds**" means the $_____ California School Cash Reserve Program Authority 2020-2021 Senior Bonds, Series A authorized by, and at any time Outstanding pursuant to, this Indenture.

[**"Series A Senior Credit Account"** means the account by that name established in Section 3.02.]

"**Series A Senior Interest Account**" means the account by that name established in Section 3.02.

"**Series A Senior Principal Account**" means the account by that name established in Section 3.02.

["**Series A Subordinate Bonds**" means the $_____ California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds, Series A authorized by, and at any time Outstanding pursuant to, this Indenture.]

[**"Series A Subordinate Credit Account"** means the account by that name established in Section 3.02.]

[**"Series A Subordinate Credit Agreement"** means the agreement, if any, designated in Schedule I hereto as the Subordinate Credit Agreement for the Series A Subordinate Bonds.]

[**"Series A Subordinate Credit Instrument"** means the instrument, if any, designated in Schedule I hereto as the Subordinate Credit Instrument for the Series A Subordinate Bonds.]

[**"Series A Subordinate Credit Provider"** means the subordinate credit provider, if any, designated in Schedule I hereto as the Subordinate Credit Provider for the Series A Subordinate Bonds.]

[**"Series A Subordinate Interest Account"** means the account by that name established in Section 3.02.]

[**"Series A Subordinate Principal Account"** means the account by that name established in Section 3.02.]

"**Series A Supplemental Credit Enhancement**" means the instrument, if any, designated in Schedule I hereto as the Supplemental Credit Enhancement with respect to the Series A Senior Bonds.

"**Series A Supplemental Credit Enhancement Agreement**" means the agreement, if any, designated in Schedule I hereto as the Supplemental Credit Enhancement Agreement with respect to the Series A Senior Bonds.

"**Series A Supplemental Credit Enhancer**" means the entity, if any, identified in Schedule I hereto as the Supplemental Credit Enhancer of the Series A Supplemental Credit Enhancement.

"**Series of Bonds**" and "**Bonds of a Series**" means each Series of Senior Bonds and the corresponding Series of Subordinate Bonds, if any.

"**Subordinate Bonds**" means, collectively, [the Series A Subordinate Bonds and] all Additional Subordinate Bonds.

"**Subordinate Credit Account**" means each account by that name established in Section 3.02.

"**Subordinate Credit Agreement**" means [the Series A Subordinate Credit Agreement, if any, and] each Additional Subordinate Credit Agreement.

"**Subordinate Credit Instrument**" means [the Series A Subordinate Credit Instrument, if any, and] each Additional Subordinate Credit Instrument.

"**Subordinate Credit Provider**" means [the Series A Subordinate Credit Provider, if any, and] each Additional Subordinate Credit Provider.

"**Subordinate Interest Account**" means each account by that name established in Section 3.02.

"**Subordinate Principal Account**" means each account by that name established in Section 3.02.

"**Subordinate Purchase Contract**" means each purchase contract between the Authority and the Purchaser and relating to the purchase of the applicable Series of Subordinate Bonds by

the Purchaser thereof, which may also constitute the Senior Purchase Contract for the related Series of Senior Bonds.

"**Supplemental Credit Enhancement**" means, collectively, the Series A Supplemental Credit Enhancement, if any, and each Additional Supplemental Credit Enhancement.

"**Supplemental Credit Enhancement Agreement**" means, collectively, the Series A Supplemental Credit Enhancement Agreement, if any, and each Additional Supplemental Credit Enhancement Agreement.

"**Supplemental Credit Enhancer**" means, collectively, the Series A Supplemental Credit Enhancer, if any, and each Additional Supplemental Credit Enhancer.

"**Supplemental Indenture**" means any indenture approved by the Authority in accordance with Article X of this Indenture amending or supplementing this Indenture or any Supplemental Indenture, or providing for the issuance of Additional Bonds.

"**Tax Certificate**" has the meaning ascribed thereto in Section 7.04(a) hereof.

"**Trustee**" means U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, at its principal corporate trust office in Los Angeles, California, or any other bank or trust company at its principal corporate trust office which may at any time be substituted in its place, as trustee under the Indenture.

Section 1.02. Indenture Constitutes a Contract; Obligation of Indenture and Bonds. In consideration of the purchase and acceptance of any and all of each Series of the Bonds authorized to be issued under this Indenture by those who shall hold the same from time to time:

(a) this Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee, each Supplemental Credit Enhancer, each Credit Provider, each Subordinate Credit Provider, and the Owners from time to time of the corresponding Series of Bonds;

(b) subject to the provisions of Section 5.01(c) hereof, the pledge of the Series A Pledged Accounts and the other moneys, rights and interests made in this Indenture in Sections 1.03(a) and 5.01 hereof and the related covenants and agreements set forth in this Indenture to be performed by and on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Owners of any and all of the Series A Bonds and each Supplemental Credit Enhancer, each Credit Provider and each Subordinate Credit Provider relating to the Series A Bonds, all of which regardless of the time or times of their issue or maturity/maturities shall be of equal rank without preference, priority or distinction of any of such Series A Bonds over any other thereof, subject to the provisions respecting the priority of each Series A Senior Bonds over the corresponding Series A Subordinate Bonds[,if any]; and each Series A Bond shall be a special obligation of the Authority payable solely from the moneys, rights and interest pledged for payment of the Series A Bonds in Sections 1.03(a) and 5.01 hereof; and

(c) subject to the provisions of Section 5.01(c) hereof, the pledge of the Additional Series Pledged Accounts and the other moneys, rights and interests made in this Indenture in Sections 1.03(b) and 5.01 hereof and the related covenants and agreements set forth in this Indenture to be performed by and on behalf of the Authority shall be on a Series by Series basis, for the equal and ratable benefit, protection and security of the Owners of any and all Additional Bonds of such Series and each Additional Supplemental Credit Enhancer, each Additional Credit Provider and each Additional Subordinate Credit Provider relating to such Series of Additional Bonds, all of which regardless of the time or times of their issue or maturity/maturities shall be of equal rank without preference, priority or distinction of any Additional Bond of such Series over any other Additional Bonds of the same Series, subject to the provisions respecting the priority of each Series of Additional Senior Bonds over the corresponding Series of Additional Subordinate Bonds, if any; and each Additional Bond of a Series shall be a special obligation of the Authority payable solely from the moneys, rights and interest pledged for payment of the Additional Bonds of such Series in Sections 1.03(b) and 5.01 hereof.

Section 1.03. Pledge Effected by Indenture.

(a) Series A Bonds: Subject to the provisions of this Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth in this Indenture, including the provisions of Section 5.01(c) hereof, there are hereby pledged for the payment of the principal of and interest on the Series A Bonds in accordance with their terms and the provisions of this Indenture, and the Trustee, as trustee on behalf of the Owners, is hereby granted an express lien on, the proceeds of such Series A Bonds, all moneys on deposit in the Series A Pledged Accounts (other than in the Rebate Fund) credited by or pursuant to this Indenture, including the investments thereof (if any) other than investments which are to be deposited into the Rebate Fund, the rights and interest of the Authority in and to the payments of principal of and interest on the respective Series A Notes assigned to the Series A Pool, the documents evidencing and securing the same, the Note Resolutions to the extent relating to the Series A Notes and the collections received therefrom by the Authority or the Trustee on its behalf, and any and all other property of any kind from time to time hereafter pledged as additional security for the Series A Bonds under this Indenture by a Supplemental Indenture, by delivery or by writing of any kind of the Authority or by any person on its behalf. The pledge and lien of this Section 1.03(a) is created and established in the following order of priority: first, to secure the payment of the principal of and interest on the Series A Senior Bonds (including reimbursement of the Series A Supplemental Credit Enhancer or Series A Credit Provider, as applicable) in accordance with the terms and the provisions of this Indenture, and second, to secure the payment of the principal of and interest on the Series A Subordinate Bonds[, if any] (including reimbursement of the Series A Subordinate Credit Provider) in accordance with the terms and the provisions of this Indenture[; provided, however, that all amounts in the Series A Senior Credit Account of the Credit Fund attributable to the Series A Senior Bonds are pledged and shall be applied solely to payment of the principal of and interest on the Series A Senior Bonds and all amounts in the Series A Subordinate Credit Account of the Credit Fund attributable to the Series A Subordinate Bonds are pledged and shall be applied solely to payment of the principal of and interest on the Series A Subordinate Bonds].

(b) Each Series of Additional Bonds: Subject to the provisions of this Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth in this Indenture, including the provisions of Section 5.01(c) hereof, there are hereby pledged for

the payment of the principal of and interest on each Series of Additional Bonds in accordance with their terms and the provisions of this Indenture and the applicable Supplemental Indenture, and the Trustee, as trustee on behalf of the Owners, is hereby granted an express lien on, the proceeds of such Series of Additional Bonds, all moneys on deposit in the Additional Series Pledged Accounts (other than in the Rebate Fund) relating to such Series of Additional Bonds credited by or pursuant to this Indenture, including the investments thereof (if any) other than investments which are to be deposited into the Rebate Fund, the rights and interest of the Authority in and to the payments of principal of and interest on the corresponding Series of Additional Notes assigned to the Additional Pool securing such Series of Additional Bonds, the documents evidencing and securing the same, the Note Resolutions to the extent relating to such Series of Additional Notes and the collections received therefrom by the Authority or the Trustee on its behalf, and any and all other property of any kind from time to time hereafter pledged as additional security for such Series of Additional Bonds under this Indenture by a Supplemental Indenture, by delivery or by writing of any kind of the Authority or by any person on its behalf. The pledge and lien of this Section 1.03(b) is created and established in the following order of priority: first, to secure the payment of the principal of and interest on such Series of Additional Senior Bonds (including reimbursement of the corresponding Supplemental Credit Enhancer or Credit Provider, as applicable) in accordance with the terms and the provisions of this Indenture and the applicable Supplemental Indenture, and second, to secure the payment of the principal of and interest on the related Series of Additional Subordinate Bonds (including reimbursement of the corresponding Subordinate Credit Provider), if any, in accordance with the terms and the provisions of this Indenture and the applicable Supplemental Indenture; provided, however, that all amounts in the Senior Credit Account, if any, of the Credit Fund attributable to each such Series of Senior Bonds are pledged and shall be applied solely to payment of the principal of and interest on the corresponding Series of Senior Bonds and all amounts in the Subordinate Credit Account of the Credit Fund attributable to each such Series of Subordinate Bonds are pledged and shall be applied solely to payment of the principal of and interest on the corresponding Series of Subordinate Bonds.

ARTICLE II

CONDITIONS AND TERMS OF BONDS

Section 2.01. Initial Issuance of Bonds. The Bonds to be issued under this Indenture are hereby created initially in [one/two] Series consisting of the Series A Senior Bonds [and the Series A Subordinate Bonds]. The Authority may at any time issue Additional Bonds pursuant to a Supplemental Indenture upon satisfaction of the conditions precedent set forth in Section 2.12 hereof.

The Series A Senior Bonds are designated as the "California School Cash Reserve Program Authority 2020-2021 [Senior] Bonds, Series A." The aggregate principal amount of Series A Senior Bonds which may be issued and Outstanding under this Indenture shall not exceed _____ dollars ($_____), exclusive of Senior Bonds executed and authenticated as provided in Section 2.09. The Trustee is hereby authorized and directed to authenticate the Series A Senior Bonds in the aggregate principal amount of _____ dollars ($_____). The Series A Senior Bonds shall be

initially delivered in the form of one Series A Senior Bond for the full principal amount thereof and shall be registered in the name of "Cede & Co.," as nominee of DTC.

[The Series A Subordinate Bonds are designated as the "California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds, Series A." The aggregate principal amount of Series A Subordinate Bonds which may be issued and outstanding under this Indenture shall not exceed _____ dollars ($_____), exclusive of Series A Subordinate Bonds executed and authenticated as provided in Section 2.09. The Trustee is hereby authorized and directed to authenticate the Series A Subordinate Bonds in the aggregate principal amount of _____ dollars ($_____). The Series A Subordinate Bonds shall be initially delivered in the form of one Series A Subordinate Bond for the full principal amount thereof and shall be registered in the name of "Cede & Co.," as nominee of DTC.]

Any Additional Bonds shall be designated as provided in the Supplemental Indenture pursuant to which such Additional Bonds are to be issued. The aggregate principal amount of Additional Bonds which may be issued under this Indenture shall be limited as provided in such Supplemental Indenture.

Section 2.02. Denominations, Medium and Method and Place of Payment and Dating of Bonds. The Bonds shall be prepared in the form of fully registered Bonds in denominations of five thousand dollars ($5,000) or any integral multiple thereof. The interest on and principal of the Bonds shall be payable in lawful money of the United States of America. The interest on the Bonds shall be payable on the applicable Interest Payment Dates, and the principal of the Bonds shall be payable on the applicable Principal Payment Date thereof upon surrender thereof by the respective Owners thereof at the Principal Office of the Trustee. The Trustee may treat the Owner of any Bond as the absolute owner of such Bond for all purposes, whether or not such Bond shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest on and principal of such Bond shall be made only to such Owner as above provided, which payments shall be valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid. All Bonds paid pursuant to the provisions of this section shall be cancelled and destroyed by the Trustee and shall not be redelivered and a certificate of destruction shall be delivered to the Authority and the applicable Credit Provider or Subordinate Credit Provider.

Each Bond shall be dated the date of its initial issuance.

Section 2.03. Terms of the Bonds. (a) Terms of the Series A Senior Bonds. Each Series A Senior Bond shall mature on the Series A Principal Payment Date, shall bear interest at the rate of _____ percent (____%), payable on each Series A Interest Payment Date, and have the principal thereof payable on the Series A Principal Payment Date, upon surrender of the Series A Senior Bond by the Owner thereof, at the Principal Office of the Trustee.

The interest payable on the Series A Senior Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

The Series A Senior Bonds shall not be subject to prepayment or redemption prior to the Series A Principal Payment Date.

(b) [Terms of the Series A Subordinate Bonds. Each Series A Subordinate Bond shall mature on the Series A Principal Payment Date, shall bear interest at the rate of _____ percent (____%) payable on each Series A Interest Payment Date, and have the principal thereof payable on the Series A Principal Payment Date, upon surrender of each such Series A Subordinate Bond by the Owner thereof, at the Principal Office of the Trustee.]

[The interest payable on the Series A Subordinate Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.]

[The Series A Subordinate Bonds shall not be subject to prepayment or redemption prior to the Series A Principal Payment Date.]

(c) Terms of Additional Bonds. The maturity date or dates, interest rate or rates, interest payment date or dates, computation of interest, and redemption or prepayment provisions applicable to any Series of Additional Bonds shall be determined by the Authority at the time of issuance thereof pursuant to the Supplemental Indenture under which such Series of Additional Bonds are issued. Principal of and interest on such Series of Additional Bonds shall be payable in such manner as may be specified in such Supplemental Indenture.

Section 2.04. Form of Bonds. The Senior Bonds and the form of assignment to appear thereon shall be in substantially the forms in Exhibit A-1 hereto, and the Subordinate Bonds and the form of assignment to appear thereon shall be in substantially the forms in Exhibit A-2 hereto, in each case with appropriate or necessary insertions, omissions and variations as permitted or required thereby or hereby. The Bonds may be prepared in typewritten, lithographed or printed form.

Section 2.05. Execution of Bonds. The Bonds shall be executed by the Chair of the Authority and attested by the Secretary of the Authority, or by such other persons as shall have been authorized by resolution of the Authority to execute and attest the Bonds, by manual or facsimile signature and shall be authenticated by the Trustee by the manual signature of an authorized officer of the Trustee. The Bonds may but need not bear the seal of the Authority, if any.

Section 2.06. Transfer and Exchange of Bonds. All Bonds are transferable or exchangeable by the Owner thereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee in the books required to be kept by the Trustee pursuant to the provisions of Section 2.07, upon surrender of such Bonds accompanied by delivery of a duly executed written instrument of transfer or exchange in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the Trustee shall execute and deliver a new Bond or Bonds of the same Series and of authorized denominations representing the same aggregate principal amount, except that the Trustee shall require the payment by any Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. All Bonds surrendered pursuant to the provisions of this section shall be cancelled by the Trustee and shall not be redelivered.

Section 2.07. Bond Registration Books. The Trustee will keep at its Principal Office sufficient books for the registration of the ownership, transfer or exchange of the Bonds, which

books shall be available for inspection by the Authority, each Supplemental Credit Enhancer, each Credit Provider or each Subordinate Credit Provider, as applicable, the Districts or any Owner or his agent duly authorized in writing at reasonable hours and under reasonable conditions during regular business hours upon reasonable prior notice; and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register the ownership, transfer or exchange of the Bonds in such books as hereinabove provided. The ownership of any Bonds may be proved by the books required to be kept by the Trustee pursuant to the provisions of this section.

Section 2.08. Temporary Bonds. The Bonds may be initially delivered in temporary form exchangeable for definitive Bonds of like Series when ready for delivery, which temporary Bonds shall be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form and shall contain such reference to any of the provisions hereof as may be appropriate. Every temporary Bond shall be executed and delivered by the Authority and authenticated by the Trustee upon the same conditions and terms and in substantially the same manner as definitive Bonds. If the Authority executes and delivers and the Trustee authenticates temporary Bonds, it will prepare and authenticate definitive Bonds without delay, and in that case, upon demand of the Owner of any temporary Bonds, such definitive Bonds shall be exchanged without cost to such Owner for temporary Bonds at the Principal Office of the Trustee upon surrender of such temporary Bonds, and until so exchanged such temporary Bonds shall be entitled to the same benefit, protection and security hereunder as the definitive Bonds executed and delivered hereunder. All temporary Bonds surrendered pursuant to the provisions of this section shall be cancelled by the Trustee and shall not be redelivered.

Section 2.09. Bonds Mutilated, Destroyed. Lost or Stolen. If any Bond shall become mutilated, the Authority shall execute and deliver and the Trustee shall authenticate a new Bond of like tenor and Series in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated, and every mutilated Bond so surrendered to the Trustee shall be cancelled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and if such evidence is satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee shall authenticate and deliver a new Bond of like tenor and Series and principal amount in lieu of and in substitution for the destroyed, lost or stolen Bond. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond authenticated and delivered by it under this section and of the expenses which may be incurred by it under this section. Any replacement Bond executed and delivered under the provisions of this section in lieu of and in substitution for any mutilated, destroyed, lost or stolen Bond shall be equally and proportionately entitled to the benefit, protection and security hereof with all other Bonds of the same Series executed and delivered hereunder; and the Trustee shall not be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be executed and delivered hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and the replacement Bond shall be treated as one and the same. Notwithstanding any other provisions of this section, rather than executing and delivering a new Bond for a mutilated, destroyed, lost or stolen Bond the corresponding Principal Payment Date of which has occurred or is about to occur, the Trustee may make payment of the principal evidenced and represented by such mutilated, destroyed, lost or stolen Bond directly to the Owner thereof under such regulations as the Trustee may prescribe.

Section 2.10. Special Covenants as to Book-Entry Only System.

(a) Except as otherwise provided in subsections (b) and (c) of this Section 2.10, and except with respect to any Series of Senior Bonds wholly owned by the applicable Supplemental Credit Enhancer or Credit Provider, or any Series of Subordinate Bonds wholly owned by the applicable Subordinate Credit Provider, as the case may be, which shall be registered in the name of the applicable Supplemental Credit Enhancer, Credit Provider or applicable Subordinate Credit Provider (or applicable nominee), as the case may be, each Series of Bonds initially executed and delivered hereunder shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC may request. Payment of the principal of and interest on each Bond registered in the name of Cede & Co. shall be made to the account, in the manner and at the address indicated in or pursuant to the Representation Letter delivered to DTC by the Authority.

(b) Each Series of Senior Bonds issued hereunder shall be initially in the form of a single authenticated fully registered bond for the full principal amount of such Series of Senior Bonds. Each Series of the Subordinate Bonds issued hereunder shall be initially in the form of a single authenticated fully registered bond for the full principal amount of such Series of Subordinate Bonds. Upon initial execution of the respective Series of Bonds, the ownership of all such Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.07 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC may request. The Trustee, the Authority and the Districts may treat DTC (or its nominee) as the sole and exclusive Owner of the Bonds registered in its name for the purposes of payment of the principal of and interest on such Bonds, selecting any Bonds or portions thereof to be prepaid, giving any notice permitted or required to be given to an Owner under the Indenture, registering the transfer of Bonds, obtaining any consent or other action to be taken by the Owners and for all other purposes whatsoever; and neither the Trustee, the Authority nor the Districts shall be affected by any notice to the contrary. Neither the Trustee, the Authority nor the Districts shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section 2.10, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or interest represented by such Bonds, (iii) any notice which is permitted or required to be given to the Owners under the Indenture, (iv) the selection by DTC or any Participant of any person to receive payment in the event, if any, of a partial redemption of the Bonds, or (v) any consent given or other action taken by DTC as Owner. The Trustee shall pay all principal of and premium, if any, and interest on the applicable Series of Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the applicable Series of Bonds will be transferable to such new nominee in accordance with subsection (f) of this Section 2.10.

(c) In the event that the Authority determines that it is in the best interests of the beneficial owners of the Bonds of any Series that they be able to obtain bonds, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of Bonds of such Series. In such event, the Bonds of

such Series will be transferable in accordance with subsection (f) of this Section 2.10. DTC may determine to discontinue providing its services with respect to the Bonds of any Series at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Bonds of such Series will be transferable in accordance with subsection (f) of this Section 2.10. Whenever DTC requests the Authority or the Trustee to do so, and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all bonds evidencing the Bonds of such Series then Outstanding. In such event, the Bonds of such Series will be transferable to such securities depository in accordance with subsection (f) of this Section 2.10, and thereafter, all reference in this Indenture to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as all Bonds of a Series Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal and interest represented by each such Series of Bonds and all notices with respect to each such Series of Bonds shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The Authority shall have executed and delivered the Representation Letter and, in connection with any successor nominee for DTC and any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Indenture.

(f) In the event that any transfer or exchange of any Series of Bonds is authorized under subsection (b) or (c) of this Section 2.10 or required because a Series of Senior Bonds or a Series of Subordinate Bonds are held wholly in the name of the corresponding Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider, as applicable, such transfer or exchange shall be accomplished upon receipt by the Trustee from the Owner thereof of the Senior Bonds or Subordinate Bonds of the Series to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Section 2.06. In the event any Series of Bonds are issued to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all such Series of Bonds, another securities depository as Owner of all such Series of Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.02, 2.03 and 2.06 shall also apply to, among other things, the registration, exchange and transfer of such Series of Bonds and the method of payment of principal of, premium, if any, and interest on such Series of Bonds.

Section 2.11. Registration of Bonds Held Wholly in the Name of a Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider. (a) Each Series of Senior Bonds or Series of Subordinate Bonds held wholly in the name of the corresponding Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider shall be transferred to, and registered in the name of, such Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider, as the case may be, or to such person as such Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider may direct, unless such Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider otherwise consents in writing. All such Series of Senior Bonds or Series of Subordinate Bonds shall be labeled by the Trustee as not

transferable to any person other than the Authority, the Districts or such Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider, as applicable.

(b) In the event a Supplemental Credit Enhancer, a Credit Provider or Subordinate Credit Provider sells or transfers the corresponding Series of Senior Bonds or corresponding Series of Subordinate Bonds described in this Section 2.11, such Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider will be responsible for complying with all securities laws in connection with such sale or transfer and the Trustee shall not have any liability therefor.

Section 2.12. Issuance of Additional Bonds. The Authority may at any time issue a Series of Additional Bonds pursuant to a Supplemental Indenture, secured by and payable from an Additional Pool separate and distinct from all other Pools constituted hereunder and consisting of a Series of Additional Notes that have not been assigned to any other Pool, secured by a pledge of and charge and lien upon such Additional Pool and the other security provided by Section 1.03(b) herein, which pledge, charge and lien shall be separate and distinct from any previously granted pledge, charge and lien securing any other Series of Outstanding Bonds theretofore issued hereunder, and subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Series of Additional Bonds:

(a) The Authority shall be in compliance with all agreements and covenants contained herein.

(b) Each District that is seeking to issue a Series of Additional Notes in connection with such Series of Additional Bonds and that has previously adopted a Note Resolution and issued Notes in connection with one or more prior Series of Outstanding Bonds, shall be in compliance with all agreements and covenants contained in each such Note Resolution, shall not issue Additional Notes unless such Additional Notes are issued in compliance with Section 2(B) of such Note Resolution, and shall not have issued any tax and revenue anticipation notes relating to the 2020-2021 fiscal year except (i) in connection with the Program under such Note Resolution, or (ii) notes secured by a pledge of its unrestricted revenues that is subordinate in all respects to the pledge of unrestricted revenues under such Note Resolution, and no Event of Default shall have occurred and be continuing with respect to any such outstanding previously issued notes or Series of Notes.

(c) The aggregate principal amount of Bonds issued and at any time Outstanding hereunder shall not exceed any limit imposed by law, by this Indenture or by any Supplemental Indenture.

(d) Whenever the Authority shall determine to execute and deliver any Series of Additional Bonds pursuant to this Section 2.12, the Authority and the Trustee shall enter into a Supplemental Indenture providing for the issuance of such Series of Additional Bonds, specifying the maximum principal amount thereof and prescribing the terms and conditions thereof. The Supplemental Indenture shall prescribe the form or forms of such Series of Additional Bonds and shall provide for the distinctive designation, denominations, method of numbering, dates, interest rates and places of payment of principal and interest. The Supplemental Indenture may contain any other provision authorized or not prohibited by the Indenture relating to such Series of Additional Bonds.

(e) Before such Series of Additional Bonds shall be issued, the Authority shall file or cause to be filed the following documents with the Trustee:

(1) An Opinion of Counsel to the effect that (A) such Additional Bonds constitute the valid and binding obligations of the Authority, (B) such Additional Bonds are special obligations of the Authority and are payable from interest and principal payments made by the applicable Districts on their respective corresponding Notes, and (C) the applicable Supplemental Indenture has been duly executed and delivered by, and constitutes the valid and binding special obligation of, the Authority.

(2) A Certificate of the Authority and each District whose Notes will secure such Series of Additional Bonds certifying as to the incumbency of its officers and stating that the requirements of this Section 2.12 have been met.

(3) A certified copy of the Note Resolution and any supplemental Note Resolution, if applicable, of each District that is seeking to issue a Series of Additional Notes authorizing the issuance thereof.

(4) A certified copy of a resolution of the Authority authorizing the execution and delivery of the applicable Purchase Agreements with the participating Districts, the Supplemental Indenture, and any Additional Supplemental Credit Enhancement Agreement, Additional Credit Agreement, Additional Subordinate Credit Agreement or Additional Investment Agreement, and authorizing the issuance of the Additional Bonds.

(5) An executed counterpart or duly authenticated copy of the applicable Purchase Agreement with each participating District, the Supplemental Indenture, and any Additional Supplemental Credit Enhancement Agreement, Additional Credit Agreement, Additional Subordinate Credit Agreement or Additional Investment Agreement.

(6) A Pricing Confirmation relating to such Series of Additional Bonds from each participating District.

(7) The executed Series of Additional Notes and Additional Bonds from the issuers thereof.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's receipt of Certificates of each District and of the Authority stating that all applicable provisions of this Indenture have been complied with (so as to permit the issuance of the Series of Additional Bonds in accordance with the Supplemental Indenture then delivered to the Trustee), the Trustee shall authenticate and deliver said Additional Bonds, in the aggregate principal amount specified in such Supplemental Indenture, to, or upon the Request of, the Authority. Upon execution and delivery by the Authority and authentication by the Trustee, said Additional Bonds shall be valid and binding notwithstanding any defects in satisfying any of the foregoing requirements.

ARTICLE III

PROCEEDS OF BONDS

Section 3.01. Delivery of Bonds. The Trustee is hereby authorized to authenticate and deliver the Series A Bonds to the Purchaser thereof pursuant to the Senior Purchase Contract applicable to the Series A Senior Bonds [and the Subordinate Purchase Contract applicable to the Series A Subordinate Bonds], upon receipt of a written Request of the Authority, the Series of Notes comprising the Pool securing the Series A Bonds and the proceeds of sale of the Series A Bonds.

Section 3.02. Establishment of Funds and Accounts; Deposit of Bond Proceeds.

(a) The Trustee hereby agrees to establish and maintain hereunder, in trust, the following funds and accounts:

(1) the Costs of Issuance Fund, and therein:

(A) the Series A Costs of Issuance Account, and

(B) a separate Costs of Issuance Account for each Series of Additional Bonds,

(2) the Proceeds Fund, and therein:

(A) a separate Proceeds Subaccount for each Series A Note assigned to the Series A Pool, and

(B) a separate Proceeds Subaccount for each Additional Note assigned to each Additional Pool,

(3) the Bond Payment Fund, and therein:

(A) a separate Payment Account for each Series A Note assigned to the Series A Pool, and

(B) a separate Payment Account for each Additional Note assigned to each Additional Pool,

(4) the Pool Interest Fund, and therein:

(A) the Series A Senior Interest Account [and the Series A Subordinate Interest Account], and

(B) a separate Senior Interest Account and Subordinate Interest Account, if applicable, for each Series of Additional Bonds,

(5) the Pool Principal Fund, and therein:

(A) the Series A Senior Principal Account [and the Series A Subordinate Principal Account], and

(B) a separate Senior Principal Account and Subordinate Principal Account, if applicable, for each Series of Additional Bonds, and

(6) the Credit Fund, and therein:

(A) the Series A Senior Credit Account[and the Series A Subordinate Credit Account] for the Series A Bonds, and

(B) a separate Senior Credit Account and Subordinate Credit Account, if applicable, therein for each Series of Additional Bonds.

(b) The proceeds received from the sale of the Series A Senior Bonds are to be deposited in the following funds in the following amounts:

Costs of Issuance Fund (Series A Costs of Issuance Account)	$_____
Proceeds Fund (with deposits to Proceeds Subaccounts attributable to the Series A Notes assigned to secure the Series A Bonds in the amounts set forth in Schedule II hereto)	$_____

(c) [The proceeds received from the sale of the Series A Subordinate Bonds are to be deposited in the following funds in the following amounts:

Costs of Issuance Fund (Series A Costs of Issuance Account)	$_____
Proceeds Fund (with deposits to Proceeds Subaccounts attributable to the Series A Notes assigned to secure the Series A Bonds in the amounts set forth in Schedule II hereto)	$_____]

Section 3.03. Use of Money in the Costs of Issuance Fund and the Proceeds Fund.

(a)(1) The moneys in each Cost of Issuance Account in the Costs of Issuance Fund shall be used and withdrawn by the Trustee, to pay the Costs of Issuance of the related Series of Bonds upon receipt of (i) a Request of the Authority, which shall be sequentially numbered, stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said account, and (ii) an original invoice or invoices submitted by the Financial Advisor or evidence of the Financial Advisor's payment of an invoice submitted by the Financial Advisor when such payment is in reimbursement thereof.

(2) On the earliest of _____ 1, 20__, or on such earlier date upon Request of the Authority, amounts, if any, remaining in the Series A Costs of Issuance Account and not required to pay identified Costs of Issuance for the Series A Bonds specified in writing by the Financial Advisor to the Trustee, including any initial or additional fees or expenses of the Series A Credit Provider, the Series A Supplemental Credit Enhancer, the Series A Subordinate Credit Provider, as applicable, or the Trustee, or any identified Predefault Obligations and Reimbursement Obligations attributable to the Series A Bonds, shall be transferred to the Bond Payment Fund and credited to the Payment Accounts therein attributable to the Series A Notes assigned to secure the Series A Bonds, in proportion to the amounts initially deposited in the Series A Costs of Issuance Account from proceeds of the Series A Bonds attributable to each District, as set forth in a certificate of the Financial Advisor submitted to the Trustee.

(3) On the date set forth in the applicable Supplemental Indenture relating to a Series of Additional Bonds, amounts, if any, remaining in the Costs of Issuance Account relating to such Series of Additional Bonds and not required to pay identified Costs of Issuance for such Series of Additional Bonds specified in writing by the Financial Advisor to the Trustee, including any initial or additional fees or expenses of the applicable Additional Credit Provider, Additional Supplemental Credit Enhancer, or Additional Subordinate Credit Provider, or the Trustee, or any identified Predefault Obligations and Reimbursement Obligations attributable to such Series of Additional Bonds, shall be transferred to the Bond Payment Fund and credited to the Payment Accounts therein attributable to the corresponding Series of Additional Notes assigned to secure such Series of Additional Bonds, in proportion to the amounts initially deposited in such Costs of Issuance Account from the proceeds of such Series of Additional Bonds attributable to each District, as set forth in a certificate of the Financial Advisor submitted to the Trustee.

(b)(1) All money in the Proceeds Fund shall be held by the Trustee in trust. The Trustee shall establish a subaccount in the Proceeds Fund for each Series of Notes of each District assigned to a Pool (each a "Proceeds Subaccount"). Funds in the Proceeds Fund shall be credited to the Proceeds Subaccount attributable to the applicable Series of Notes in amounts set forth in Schedule II hereto with respect to each of the Series A Notes, and as subsequently set forth in the applicable Supplemental Indenture with respect to each Series of Additional Notes.

(2) [Moneys in each Proceeds Subaccount shall be disbursed from time to time by the Trustee to the District that issued the related Series of Notes up to, but excluding, (i) the first day (or, with respect to a Series of Additional Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding Series of Additional Bonds) of the last Repayment Period applicable to such Series of Notes (Repayment Period as defined in such District's Note Resolution and the last Repayment Period as indicated on the face of such District's respective Series of Notes), or (ii) if only one Repayment Period is applicable to such Series of Notes, the first day of such Repayment Period (or, with respect to a Series of Additional Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding Series of Additional Bonds), as soon as practical, pursuant to a Requisition of the District in substantially the form set forth as Exhibit B hereto, submitted in advance of the requested disbursement date (by facsimile, hand delivery or mail), as required to comply with the disbursement provisions of the applicable Investment Agreement or other Permitted Investments, as applicable, for any purpose for which the District is authorized to use and expend moneys; provided, however, that the Trustee shall not disburse any moneys from a Proceeds Subaccount that is invested under the Investment Agreement

if it has received written notice or actual knowledge that the District intends to invest such moneys in Permitted Investments other than the Investment Agreement, or if it has received written notice or actual knowledge that an Event of Default has occurred and is continuing as defined in the Note Resolution of the District that issued the related Series of Notes, or if the Trustee has received written notification from the Financial Advisor that such District's financial certification for purposes of California Education Code Section 42133 has been downgraded from the certification held by the District on the date the respective Series of Bonds corresponding to such Series of Notes were issued, except that, if such District provides a certification from the county superintendent or State Superintendent of Public Instruction, as applicable, that repayment of such District's Note and any Additional Notes is probable, and if applicable, the consent of any Supplemental Credit Enhancers, Credit Providers and Subordinate Credit Providers for the Additional Bonds, if any, is given, moneys may be disbursed if the downgrade is to a qualified certification.] In addition, with respect to a District that has issued several Series of Notes, the Trustee shall not disburse any moneys from any Proceeds Subaccounts related to such District if it has received written notice or actual knowledge that an Event of Default has occurred and is continuing under any Note Resolution or supplemental Note Resolution, if any, of such District.

(3) Payments made by each District with respect to a Series of its Notes prior to the first day of the first Repayment Period (as defined in such District's Note Resolution and indicated on the face of each such District's Series of Notes) for such Series of Notes shall be credited to the Proceeds Subaccount related to such Series of Notes and, except as otherwise specifically provided herein, shall be available for further disbursement to that District from time to time; provided, however, with respect to a District that has issued more than one Series of Notes, that payments made with respect to a Series of Notes prior to the first day of the first Repayment Period of such Series of Notes, shall, to the extent of any deficiency with respect to payments due on any other Series of Notes of such District in any Repayment Period applicable to such other Series of Notes, be applied to such deficiency and deposited in the Payment Account(s) attributable to such other Series of Notes of such District in accordance with the priority provisions set forth in subsection 8(C) or 8(F), as applicable, of such District's Note Resolution, and such amount shall not be available for further disbursement to such District.

(4) The Trustee shall not allow a District to deposit into a Proceeds Subaccount attributable to a Series of its Notes, an amount that exceeds the aggregate unreplenished withdrawals from such Proceeds Subaccount.

(5) The Trustee shall transfer from each Proceeds Subaccount attributable to a Series of Notes of a District to the corresponding Payment Account in the Bond Payment Fund attributable to such Series of Notes of such District, taking into consideration investment earnings (as set forth in a Certificate from the Financial Advisor to the Trustee) anticipated to be received by the principal and/or interest payment date applicable to such respective Series of Notes:

(A) [on the first day of each Repayment Period designated on the face of such Series of Notes of such District (or, with respect to a Series of Additional Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding Series of Additional Bonds), up to, but excluding, the last Repayment Period, amounts which are equal to the percentages of the principal and interest due to be paid in each such Repayment

Period with respect to such District's respective Series of Notes as designated on the face of such respective Series of Notes,] and

(B) [on the first day of the last Repayment Period applicable to such Series of Notes of such District (or, with respect to a Series of Additional Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding Series of Additional Bonds), or, if only one Repayment Period is applicable to such Series of Notes, on the first day of such Repayment Period (or, with respect to a Series of Additional Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding Series of Additional Bonds), an amount equal to the lesser of (i) the principal of and interest on such Series of Notes, less any amounts transferred to such Payment Account from excess amounts in the Costs of Issuance Account of the related Series of Bonds pursuant to Section 3.03(a) hereof, and less (without duplication) any amounts then on deposit in such Payment Account for payment of such Series of Notes, and (ii) the total amount, if any, remaining in the corresponding Proceeds Subaccount attributable to such Series of Notes of such District.]

[If on the first day of the first (or single) Repayment Period applicable to such Series of Notes of such District (or, with respect to a Series of Additional Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding Series of Additional Bonds), the amount in the related Proceeds Subaccount is less than the aggregate amount required to be transferred pursuant to clause (A) above, the Trustee shall transfer the entire amount in such Proceeds Subaccount to the corresponding Payment Account in the Bond Payment Fund on such day. Any amounts remaining in such Proceeds Subaccount attributable to such Series of Notes after the amounts required to be transferred to such Payment Account in the Bond Payment Fund hereunder have been transferred, less the amount of all of such District's outstanding Predefault Obligations and Reimbursement Obligations corresponding to such Series of Notes, shall be returned to such District after the last day of the last Repayment Period applicable to such Series of Notes. Amounts on deposit in the Proceeds Subaccount of a District attributable to a Series of Notes may be applied to the payment of corresponding Predefault Obligations of or allocable to such District.]

(6) [By the _____ Business Day of each Repayment Period, beginning _____, 20__, the Trustee will notify the Series A Credit Provider or the Series A Subordinate Credit Provider and the Series A Supplemental Credit Enhancer, as applicable, whether the total amount on deposit in such District's Payment Account attributable to the Series A Notes, taking into consideration anticipated earnings (as set forth in a certificate from the Financial Advisor to the Trustee) thereon to the Series A Principal Payment Date, is at least equal to the amount required to be on deposit in such account during such Repayment Period.]

ARTICLE IV

TRUSTEE'S DUTIES REGARDING NOTES

Section 4.01. Authenticating Agent. The Trustee shall be the authenticating agent for the Districts in connection with the issuance of each Series of Notes under each Note Resolution.

Section 4.02. Registrar and Paying Agent. The Trustee shall be the registrar and paying agent for each Series of the Notes. As long as any Series of Notes is outstanding under the applicable Note Resolution, the issuing District shall maintain and keep an office or agency at the Principal Office of the Trustee for the payment of principal and interest on the corresponding Series of Notes and for the registration and transfer of such Series of Notes.

Section 4.03. Cancellation of Paid Notes. Each Series of Notes, when paid in full (including by reimbursement to the applicable Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider, as applicable, as provided in Sections 6.01 and 6.03), shall be cancelled by the Trustee; provided, however, that each Series of Notes shall be deemed outstanding and shall not be cancelled by the Trustee until (i) the Owners of the corresponding Series of Bonds have been paid in full with respect to such Series of Notes, and (ii) the Supplemental Credit Enhancer or Credit Provider, as applicable, and the Subordinate Credit Provider has been reimbursed for the drawings or payments made under the Supplemental Credit Enhancement or Credit Instrument, as applicable, and the Subordinate Credit Instrument related to such Series of Notes and all Predefault Obligations and Reimbursement Obligations due and owing such Supplemental Credit Enhancer or Credit Provider, as applicable, and Subordinate Credit Provider related to such Series of Notes have been paid.

ARTICLE V

NOTE PAYMENTS

Section 5.01. Assignment of Notes. (a) Each Series of Notes, when issued, shall be identified with a Pool, and, subject to the provisions of this Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth in this Indenture, including the provisions of Section 5.01(c) hereof, (i) all right, title and interest of the Authority therein and to all payments thereon, are hereby irrevocably assigned and pledged and transferred to the Trustee for the benefit of the Owners of the corresponding Series of Bonds and the corresponding Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider, as applicable, (ii) the payments on each such Series of Notes shall be used for the punctual payment of the interest on and principal of the corresponding Series of Bonds or the reimbursement of drawings under or payments made pursuant to or from the corresponding Supplemental Credit Enhancement, Credit Instrument, or Subordinate Credit Instrument, as applicable, and (iii) each such Series of Notes shall not be used for any other purpose (including the payment of Bonds of a different Series or reimbursements to the Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider, as applicable, relating to a different Series of Bonds) so long as any of the corresponding Series of Bonds remain Outstanding.

(b) Subject to Section 5.01(c) hereof, all payments on a Series of Notes assigned to a particular Pool shall be applied (i) first, to payment of the interest on and principal of the corresponding Series of Senior Bonds (including reimbursement of the corresponding Supplemental Credit Enhancer or Credit Provider, as applicable), and (iii) second, to payment of the interest on and principal of the corresponding Series of Subordinate Bonds (including reimbursement of the corresponding Subordinate Credit Provider), if any.

(c) Notwithstanding any other provisions of this Indenture, with regard to a District that has issued more than one Series of Notes, to the extent, on any Interest Payment Date or Principal Payment Date, there is a deficiency with respect to any Series of Notes of such District and to the extent any payment on any Series of Notes of such District is being made from moneys other than the proceeds of a Series of Notes, the Trustee shall apportion all such payments received from such District relating to all of its Notes in accordance with the priority provisions set forth in Section 8(F) of such District's Note Resolution, and the Trustee shall apply such apportioned payments according to the preceding paragraph with respect to each such Series of Notes. Moneys in the Payment Account attributed to a Series of Notes of one District shall not be used in any manner (directly or indirectly) to make up any deficiency in the Payment Account attributed to a Series of Notes of another District.

(d) Subject to Section 5.01(c) hereof, and to the extent permitted by law, the assignment, transfer and pledge effected by this section shall constitute a lien on and security interest in the principal and interest payments of and all other rights under the Notes of each Series for the foregoing purpose in accordance with Section 1.03 and the terms hereof and shall attach, be perfected and be valid and binding from and after delivery to the Authority of the Notes of each Series and as applicable, without any physical delivery thereof, notice, filing or further act. Each District has approved, and the Trustee hereby accepts, such assignment of the Notes of each Series, as and when issued.

(e) All principal and interest payments with respect to each Series of Notes shall be paid directly by each District to the Trustee. All principal and interest payments with respect to each Series of Notes received by the Trustee shall be held in trust by the Trustee under the terms hereof and shall be deposited by it, as and when received, in the applicable Payment Account attributed to the corresponding Series of Notes in the Bond Payment Fund (except as otherwise provided in Section 5.01(c)), which fund the Trustee hereby agrees to maintain so long as any Bonds are Outstanding, and all money in such fund shall be held in trust by the Trustee for the benefit and security of the Owners of the related Series of Bonds and each related Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider, as applicable, to the extent provided in Section 1.03 and generally herein.

(f) Pursuant to each District's Note Resolution, such District is required to deposit amounts with the Trustee in the periods identified as such District's Repayment Periods (as defined in such District's Note Resolution and indicated on the face of such District's Series of Notes) until the amount on deposit in such District's Payment Account attributed to the corresponding Series of Notes, taking into consideration anticipated investment earnings thereon to be received by the Principal Payment Date corresponding to such Series of Notes (as set forth in a certificate from the Purchaser to the Trustee), is equal to the percentages of the principal and interest due with respect to such District's Series of Notes required in such Repayment Period as indicated on the face of such District's Series of Notes. If any District fails to make the required deposits, the Trustee shall as soon as practical (but in any event within three Business Days) notify such District and the applicable Credit Provider and Supplemental Credit Enhancer or Subordinate Credit Provider, as applicable, of such failure.

(g) Notwithstanding anything contained herein to the contrary, if the amount on deposit in a District's Payment Account attributable to a Series of its Notes is in excess of the amounts

required to pay the principal of and interest due with respect to such District's Series of Notes on the Principal Payment Date applicable to such Series of Notes, such excess amounts shall remain in such Payment Account and shall be transferred to such District following (i) payment of the principal of and interest on the Series of Senior Bonds and Series of Subordinate Bonds corresponding to such Series of Notes, (ii) reimbursement of the corresponding Supplemental Credit Enhancer or Credit Provider as applicable, for drawings, payments or claims, if any, pursuant to such Supplemental Credit Enhancement or Credit Instrument and reimbursement of the corresponding Subordinate Credit Provider for drawings under or payments pursuant to or from, if any, the corresponding Subordinate Credit Instrument and payment to such Supplemental Credit Enhancer or Credit Provider or Subordinate Credit Provider, as and if applicable, of any Reimbursement Obligations and Predefault Obligations corresponding to such Series of Notes applicable to such District, and (iii) to the extent that such excess amounts do not constitute proceeds of such Series of Notes, payment of any amounts due with respect to any other Series of Notes of the District (including any reimbursement obligations to any corresponding Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider, as applicable) in accordance with the priority provisions set forth in Section 8(F) of such District's Note Resolution.

Section 5.02. Transfer of Money from the Bond Payment Fund. The Trustee shall, after the Trustee has made any required apportionments required by Section 5.01(c) hereof, transfer amounts from the money contained in the applicable Payment Accounts in the Bond Payment Fund and attributed to all Series of Notes assigned to the related Series of Senior Bonds and corresponding Series of Subordinate Bonds, if any, at the following respective times to the following respective funds and accounts in the manner hereinafter provided, and the money in each of such funds and accounts shall be disbursed only for the purposes and uses hereinafter authorized (subject to Article VI):

(a) Senior Interest Accounts in the Pool Interest Fund Relating to Series of Senior Bonds. The Trustee, on each Interest Payment Date, shall transfer from the applicable Payment Accounts to the applicable Senior Interest Account, that amount of money representing the interest becoming due and payable on the related Series of Senior Bonds on such Interest Payment Date. All money in each Senior Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the related Series of Senior Bonds on their respective Interest Payment Dates.

(b) Pool Principal Accounts in the Pool Principal Fund Relating to Series of Senior Bonds. The Trustee, on each Principal Payment Date, shall, after having made any transfers required to be made pursuant to subsection (a) above, transfer from the applicable Payment Accounts to the applicable Senior Principal Account, that amount of money representing the principal becoming due and payable on the related Series of Senior Bonds on such Principal Payment Date. All moneys in each Senior Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the related Series of Senior Bonds on their respective Principal Payment Dates.

(c) Subordinate Interest Accounts in the Pool Interest Fund Relating to Series of Subordinate Bonds. The Trustee, on each Interest Payment Date, shall, after having made any transfers required to be made pursuant to subsections (a) and (b) above, transfer from the applicable Payment Accounts to the applicable Subordinate Interest Account, if

any, that amount of money representing the interest becoming due and payable on the related Series of Subordinate Bonds, if any, on such Interest Payment Date. All money in each Subordinate Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the related Series of Subordinate Bonds on their respective Interest Payment Dates.

(d) Pool Principal Accounts in the Pool Principal Fund Relating to Series of Subordinate Bonds. The Trustee, on each Principal Payment Date, shall, after having made any transfers required to be made pursuant to subsections (a), (b) and (c) above, transfer from the applicable Payment Accounts to the applicable Subordinate Principal Account, if any, that amount of money representing the principal becoming due and payable on the related Series of Subordinate Bonds, if any, on such Principal Payment Date. All moneys in each Subordinate Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the related Series of Subordinate Bonds on their respective Principal Payment Dates.

Section 5.03. Investments. Any money held by the Trustee in each Payment Account attributable to the Series A Bonds and each Proceeds Subaccount attributable to the Series A Bonds shall, to the fullest extent practicable, be invested under the Series A Investment Agreement, if any, and otherwise may be invested (and, upon the Request or Requisition of any District, shall be invested with respect to its corresponding Payment Account or Proceeds Subaccount, as directed by such District) by the Trustee in Permitted Investments which will mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. To the extent the Trustee has not received any instruction with respect to the investment of funds in a Payment Account attributable to the Series A Bonds or a Proceeds Subaccount attributable to the Series A Bonds, such amounts shall be invested by the Trustee in a money market fund offered by the Trustee or any of its affiliates meeting the requirements set forth in clause (4) of the definition of Permitted Investments herein. The amounts held in the several Payment Accounts and Proceeds Subaccounts will be accounted for separately for the respective Districts. Any money held by the Trustee in the Bond Payment Fund attributable to a Series of Additional Bonds and in Proceeds Subaccounts attributable to a Series of Additional Bonds shall be invested as directed in the Supplemental Indenture pursuant to which such Series of Additional Bonds is issued. The Trustee may act as principal or agent in the acquisition or disposition of any such deposit or investment and may at its sole discretion, for the purpose of any such deposit or investment, commingle any of the money held by it hereunder except with respect to the accounts in the Bond Payment Fund and Proceeds Fund attributable to a Series of Additional Bonds (which may be commingled with respect to each other, but not with respect to the accounts in such funds attributable to other Series of Bonds), the Credit Fund (and the Senior Credit Accounts and Subordinate Credit Accounts (if any) therein) or the Rebate Fund (and any accounts therein, established pursuant to Section 7.10 hereof). The Trustee shall not be liable or responsible for any loss suffered in connection with any such deposit or investment made by it under the terms of and in accordance with this section. The Trustee may present for redemption or sell any such deposit or investment whenever it shall be necessary in order to provide money to meet any payment of the money so deposited or invested, and the Trustee shall not be liable or responsible for any losses resulting from any such deposit or investment presented for redemption or sold. Any interest or profits on such deposits and investments received by the Trustee shall be credited to the fund or account from which such investment was made.

Moneys held by the Trustee in the Costs of Issuance Fund, Pool Interest Fund and Pool Principal Fund, and in the respective accounts therein, shall be invested in Permitted Investments as directed by the Authority. The Trustee shall have no duty to determine whether any investment made hereunder is a lawful investment under the laws of the State of California.

Moneys in the Credit Fund shall be invested as specified in Section 6.01.

Moneys in the Rebate Fund shall be invested as specified in Section 7.10.

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

The Trustee or any of its affiliates may act as agent, sponsor or advisor in connection with any investment made by the Trustee hereunder.

ARTICLE VI

CREDIT INSTRUMENTS, SUPPLEMENTAL CREDIT ENHANCEMENTS AND SUBORDINATE CREDIT INSTRUMENTS

Section 6.01. Provisions Applicable to a Letter of Credit or Policy of Insurance as Supplemental Credit Enhancement or Credit Instrument.

(a) The other provisions of this Article VI notwithstanding, the Trustee shall draw upon or request payment under each Credit Instrument and/or Supplemental Credit Enhancement by the times required therein and in any Supplemental Indenture and in accordance with the terms thereof and any Supplemental Indenture, and in sufficient amounts, to make timely payment of the interest on and principal of the corresponding Series of Senior Bonds on each Interest Payment Date and the Principal Payment Date applicable to such Series of Senior Bonds. Moneys drawn under or paid pursuant to a Credit Instrument and/or Supplemental Credit Enhancement shall be deposited in the Senior Credit Account attributable to the corresponding Series of Senior Bonds in the Credit Fund.

(b) Except as otherwise explicitly provided in the corresponding Supplemental Credit Enhancement or Credit Instrument (and subject to paragraph (e) of this section), each Senior Bond of the corresponding Series shall be paid (i) on any Interest Payment Date that is not the Principal Payment Date, first from all available moneys to be deposited in the related Senior Interest Account in the Pool Interest Fund corresponding to such Series of Senior Bonds and, to the extent of any deficiency therein, second, from moneys drawn under or paid pursuant to the corresponding Credit Instrument and/or Supplemental Credit Enhancement up to the respective maximum amounts thereof, and (ii) on the Principal Payment Date, first from all available moneys to be deposited in the related Senior Interest Account in the Pool Interest Fund and the related Senior Principal Account in the Pool Principal Fund and, to the extent of any deficiency therein, second, from

moneys drawn under or paid pursuant to the applicable Credit Instrument and/or Supplemental Credit Enhancement up to the respective maximum amounts thereof.

(c) To the extent the maximum amount of the corresponding Supplemental Credit Enhancement and/or, if applicable, the corresponding Credit Instrument is insufficient therefor, moneys drawn thereunder and/or paid therefrom shall be used to pay the corresponding Series of Senior Bonds pro rata, and shall be allocated to each Series of Notes assigned to the Pool securing such Series of Senior Bonds pro rata in accordance with the unpaid principal thereof and interest thereon, and shall be applied to pay, and allocated first to interest and then to principal.

(d) Pending application, moneys drawn under or paid pursuant to Supplemental Credit Enhancement and/or a Credit Instrument shall be deposited in the Senior Credit Account for such Series of Senior Bonds in a special fund designated the "Credit Fund," which shall be maintained by the Trustee and held in trust apart from all other moneys and securities held under this Indenture or otherwise, and over which the Trustee shall have the exclusive and sole right of withdrawal for the exclusive benefit of the Owners of the corresponding Series of Senior Bonds. Moneys in each Senior Credit Account of the Credit Fund shall be held in cash or invested in Permitted Investments described in clause (1) of the definition thereof in Section 1.01 hereof which mature not later than the date on which it is estimated that such moneys will be required to pay the corresponding Series of Senior Bonds (but in any event maturing in not more than thirty (30) days) and shall not be applied to satisfy any costs, expenses or liabilities of the Trustee.

(e) Notwithstanding anything to the contrary contained in this section or this article, if (i) the amount available under a Supplemental Credit Enhancement or Credit Instrument is equal to 100% of the principal of and all interest on the related Series of Senior Bonds, (ii) the Supplemental Credit Enhancer or Credit Provider honors a drawing or payment request made pursuant to this section on such Supplemental Credit Enhancement or Credit Instrument to pay such principal and interest on the Business Day prior to an Interest Payment Date or resulting from a deficiency in the payment of principal and/or interest on a Note or Notes assigned to the Pool securing the corresponding Series of Senior Bonds in order to pay principal of and/or interest due on such Series of Senior Bonds on such date, and (ii) the corresponding Supplemental Credit Enhancement or Credit Instrument expressly so provides, then moneys so drawn or paid on such Supplemental Credit Enhancement or Credit Instrument shall be credited to the Senior Credit Account for the corresponding Series of Senior Bonds in the Credit Fund and applied to the payment of principal of and/or interest on such Series of Senior Bonds as provided in this section, except that, moneys, if any, on deposit in the related Payment Accounts in the Bond Payment Fund corresponding to such Series of Senior Bonds that would have been applied to pay such principal and/or interest absent this section and such drawing or payment on such Credit Instrument or Supplemental Credit Enhancement shall be applied by the Trustee to reimburse such Supplemental Credit Enhancer or Credit Provider by wire transfer as soon as possible and, in any such case, prior to 1:00 p.m., California time, on the day such drawing or payment request is honored, in the amount of such payment or disbursement by the Supplemental Credit Enhancer or Credit Provider honoring such drawing or payment request. Subject to the provisions of Section 7.10 hereof, any moneys at any time on deposit in a District's applicable Payment Account in the Bond Payment Fund in excess of the amounts required to be deposited therein on the Interest Payment Date pursuant to Section 5.02 shall be applied by the Trustee to the payment of any of such District's Predefault Obligations specified by such Supplemental Credit Enhancer or Credit Provider in

writing to the Trustee. Any amounts on deposit in the applicable Senior Credit Account in the Credit Fund derived from a draw under or payment pursuant to a Credit Instrument or Supplemental Credit Enhancement and remaining following the Maturity Date applicable to the related Series of Notes shall be promptly remitted by the Trustee to the applicable Credit Provider or Supplemental Credit Enhancer, as the case may be.

(f) In the event of default by any District in the payment of any of the principal of and/or interest on a Series of Notes of such District on any Interest Payment Date or Principal Payment Date, upon payment by the corresponding Supplemental Credit Enhancer or Credit Provider of a drawing or payment request under the corresponding Supplemental Credit Enhancement or Credit Instrument with respect to the payment of such principal and/or interest, such Supplemental Credit Enhancer or Credit Provider, as applicable, shall succeed and be subrogated to the rights of the Owners of the Series of Senior Bonds (or the portions thereof) paid with the proceeds of such drawing or payment under such Supplemental Credit Enhancement or Credit Instrument. Any Series of Notes described in the preceding sentence shall, on such Interest Payment Date or Principal Payment Date, be a Defaulted Note and the unpaid portion thereof shall be deemed outstanding and shall not be deemed paid until the conditions for cancellation of such Series of Notes, as set forth in Section 4.03, are satisfied.

(g) The interest on the unpaid portion of a Defaulted Note shall be payable at the Default Rate; provided that, no interest shall accrue on a Defaulted Note or unpaid Series of Notes which is paid with a drawing on or payment pursuant to a Supplemental Credit Enhancement or Credit Instrument, as applicable, to the extent such Defaulted Note or unpaid Series of Notes is paid (and reimbursement is made to the Supplemental Credit Enhancer or Credit Provider, as applicable, with respect to the drawing on or payment pursuant to such Supplemental Credit Enhancement or Credit Instrument, as applicable), by 1:00 p.m., California time, on the date of such draw or payment.

(h) In the event the Supplemental Credit Enhancer does not honor a draw under the corresponding Supplemental Credit Enhancement in whole or in part, the corresponding Credit Provider shall succeed and be subrogated to the rights of such Supplemental Credit Enhancer with respect to and to the extent that the Credit Provider has made payment under the corresponding Credit Instrument due to such deficiency and all references to the Supplemental Credit Enhancer in the preceding paragraphs, and in Sections 2.11, 4.03 and 5.01 shall be deemed to apply to such Credit Provider to the extent of the payment made under such Credit Instrument due to the deficiency in the payment of the draw under such Supplemental Credit Enhancement.

Section 6.02. Credit Instrument and Supplemental Credit Enhancement. The Trustee shall hold and maintain each such Credit Instrument and Supplemental Credit Enhancement, if any, for the benefit of the Owners of the respective Series of Senior Bonds until each corresponding Credit Instrument and Supplemental Credit Enhancement terminates in accordance with its terms. The Trustee shall, subject to the provisions of this Indenture, diligently enforce all terms, covenants and conditions of each such Credit Instrument and corresponding Supplemental Credit Enhancement, if applicable, including payment when due of any draws on or claims under the applicable Credit Instrument and Supplemental Credit Enhancement, as applicable, and will not consent to or agree to or permit any amendments or modifications thereof

which would materially adversely affect the rights or security of the Owners of the corresponding Series of Senior Bonds.

In the event of a default by a Supplemental Credit Enhancer with respect to a draw or payment request under the corresponding Supplemental Credit Enhancement, the Authority's and the Trustee's rights to enforce any rights thereunder shall be assigned to the corresponding Credit Provider. If at any time during the term of any Credit Instrument or Supplemental Credit Enhancement, if applicable, a successor Trustee shall be appointed and qualified under this Indenture, the resigning or removed Trustee shall request that the applicable Credit Provider and Supplemental Credit Enhancer, if any, transfer each such applicable Credit Instrument and Supplemental Credit Enhancement, respectively, to the successor Trustee pursuant to the applicable provision set forth in the respective Credit Agreement or the respective Supplemental Credit Enhancement Agreement and Section 9.02 hereof. If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment.

Section 6.03. Draws under or Payments Pursuant to or in Connection With Subordinate Credit Instrument.

(a) The other provisions of this Article VI notwithstanding,

(1) [with respect to the Series A Subordinate Bonds, the Trustee shall, by 1:00 p.m., California time, on the Business Day preceding the Series A Interest Payment Date and the Series A Principal Payment Date, by telex, telecopy or telegraphic demand, draw on the Series A Subordinate Credit Instrument in accordance with the terms thereof so as to receive thereunder by 10:00 a.m., California time, on said Series A Interest Payment Date and Series A Principal Payment Date an amount, in immediately available funds, equal to the amount of the principal of and interest due on the Series A Subordinate Bonds on said Series A Interest Payment Date and Series A Principal Payment Date, and the proceeds of such draw shall be deposited in the Series A Subordinate Credit Account in the Credit Fund and applied to the payment of such principal and interest, and, if the Series A Subordinate Credit Provider honors such drawing, moneys on deposit in the Series A Subordinate Principal Account and the Series A Subordinate Interest Account that would have been applied to pay such principal and interest absent this section and such drawing on the Series A Subordinate Credit Instrument shall be applied by the Trustee to reimburse the Series A Subordinate Credit Provider by wire transfer as soon as possible and, in any case, prior to 1:00 p.m., California time, on the day such drawing request is honored, in the amount of such payment or disbursement by the Series A Subordinate Credit Provider; and]

(2) with respect to any Series of Subordinate Bonds other than the Series A Subordinate Bonds, the Trustee shall draw upon or request payment under the applicable Subordinate Credit Instrument by the times required therein and in any Supplemental Indenture and in accordance with the terms thereof and any Supplemental Indenture, and in sufficient amounts, to make timely payment of the interest on and principal of the corresponding Series of Subordinate Bonds on each Interest Payment Date and the Principal Payment Date applicable to such Series of Subordinate Bonds, and moneys drawn under or paid pursuant to such Subordinate Credit Instrument shall be deposited in

the Subordinate Credit Account attributable to the corresponding Series of Subordinate Bonds in the Credit Fund.

(b) Except as otherwise explicitly provided in the corresponding Subordinate Credit Instrument (and subject to [paragraphs (a)(1) and] (e) of this section), each Subordinate Bond of the corresponding Series shall be paid (i) on any Interest Payment Date that is not the Principal Payment Date, first from all available moneys to be deposited in the related Subordinate Interest Account in the Pool Interest Fund corresponding to such Series of Subordinate Bonds and, to the extent of any deficiency therein, second, from moneys drawn under or paid pursuant to the corresponding Subordinate Credit Instrument up to the maximum amount thereof, and (ii) on the Principal Payment Date, first from all available moneys to be deposited in the related Subordinate Interest Account in the Pool Interest Fund and the related Subordinate Principal Account in the Pool Principal Fund and, to the extent of any deficiency therein, second, from moneys drawn under or paid pursuant to the Subordinate Credit Instrument up to the respective maximum amount thereof.

(c) To the extent the maximum amount of the Subordinate Credit Instrument is insufficient therefor, moneys drawn thereunder and/or paid therefrom shall be used to pay the corresponding Series of Subordinate Bonds pro rata, and allocated to each Series of Notes assigned to the Pool securing such Series of Subordinate Bonds pro rata in accordance with the amount of unpaid principal thereof and interest thereon, and shall be applied to pay, and allocated first to interest and then to principal.

(d) Pending application, moneys drawn under or paid pursuant to such Subordinate Credit Instrument shall be deposited in the Subordinate Credit Account for such Series of Subordinate Bonds in a special fund designated the "Credit Fund," which shall be maintained by the Trustee and held in trust apart from all other moneys and securities held under this Indenture or otherwise, and over which the Trustee shall have the exclusive and sole right of withdrawal for the exclusive benefit of the Owners of the corresponding Series of Subordinate Bonds. Moneys in each Subordinate Credit Account of the Credit Fund shall be held in cash or invested in Permitted Investments described in clause (1) of the definition thereof in Section 1.01 hereof which mature not later than the date on which it is estimated that such moneys will be required to pay the corresponding Series of Subordinate Bonds (but in any event maturing in not more than thirty (30) days) and shall not be applied to satisfy any costs, expenses or liabilities of the Trustee.

(e) Notwithstanding anything to the contrary contained in this section or this article, if (i) the amount available under the Subordinate Credit Instrument is equal to 100% of the principal of and all interest on the related Series of Subordinate Bonds, (ii) the Subordinate Credit Provider honors a drawing or payment request made pursuant to this section on the corresponding Subordinate Credit Instrument to pay the principal of and/or interest on the corresponding Series of Subordinate Bonds when due, and (ii) the corresponding Subordinate Credit Instrument expressly so provides, then moneys so drawn or paid on such Subordinate Credit Instrument shall be credited to the Subordinate Credit Account attributable to such Series of Subordinate Bonds in the Credit Fund and applied to the payment of such principal and/or interest as provided in this section, except that moneys, if any, on deposit in the applicable Subordinate Principal Account and the applicable Subordinate Interest Account that would have been applied to pay such principal and/or interest absent this section and such drawing or payment on the corresponding Subordinate

Credit Instrument shall be applied by the Trustee to reimburse the corresponding Subordinate Credit Provider by wire transfer as soon as possible and, in any case, prior to 1:00 p.m., California time, on the day such drawing or payment request is honored, in the amount of such payment or disbursement by such Subordinate Credit Provider honoring such drawing or payment request.

(f) In the event of default by any District in the payment of any of the principal of and/or interest on a Series of Notes of such District on any Interest Payment Date or Principal Payment Date applicable to the Subordinate Bonds to which such Series of Notes is assigned, upon payment by the corresponding Subordinate Credit Provider of a drawing or payment request under the corresponding Subordinate Credit Instrument with respect to the payment of such principal and/or interest, such Subordinate Credit Provider, if not reimbursed as provided in[paragraphs (a)(1) or] (e), shall succeed and be subrogated to the rights of the Owners of the Series of Subordinate Bonds (or the portions thereof) paid with the proceeds of such drawing or payment under such Subordinate Credit Instrument. Any Series of Notes described in the preceding sentence shall, on such Interest Payment Date or Principal Payment Date, be a Defaulted Note and the unpaid portion thereof shall be deemed outstanding and shall not be deemed paid until the conditions for cancellation of such Series of Notes, as set forth in Section 4.03, are satisfied.

(g) The interest on the unpaid portion of a Defaulted Note shall be payable at the Default Rate; provided that, no interest shall accrue on a Defaulted Note or unpaid Series of Notes which is paid with a drawing on or payment pursuant to a Subordinate Credit Instrument to the extent such Defaulted Note or unpaid Series of Notes is paid (and reimbursement is made to the Subordinate Credit Provider with respect to the drawing on or payment pursuant to such Subordinate Credit Instrument) by 1:00 p.m., California time, on the date of such draw or payment.

Section 6.04. Subordinate Credit Instrument. As indicated in Schedule I hereto, if applicable, and in an applicable Supplemental Indenture, the Districts or the Authority shall cause to be delivered to the Trustee the corresponding Subordinate Credit Instrument on or prior to the date of delivery of the corresponding Series of Subordinate Bonds. The Trustee shall hold and maintain each such Subordinate Credit Instrument for the benefit of the Owners of the corresponding Series of Subordinate Bonds until each such Subordinate Credit Instrument terminates in accordance with its terms. The Trustee shall, subject to the provisions of this Indenture, diligently enforce all terms, covenants and conditions of each such Subordinate Credit Instrument, including payment when due of any draws on or claims under such Subordinate Credit Instrument, and will not consent to or agree to or permit any amendments or modifications thereof which would materially adversely affect the rights or security of the Owners of the corresponding Series of Subordinate Bonds. The Trustee may consult with counsel, approved by the Authority, in making any such determination. If at any time during the term of each such Subordinate Credit Instrument, if any such Subordinate Credit Instrument is a letter of credit or policy of insurance, any successor Trustee shall be appointed and qualified under this Indenture, the resigning or removed Trustee shall request that the corresponding Subordinate Credit Provider transfer each such Subordinate Credit Instrument to the successor Trustee (in accordance with the terms of the corresponding Subordinate Credit Agreement). If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment.

[The Trustee may accept, hold and draw upon any Series A Subordinate Credit Instrument issued by itself or by any of its corporate affiliates to provide security and a source of

payment for the Series A Subordinate Bonds. The Trustee covenants that it shall at all times maintain adequate controls to manage any potential conflict of interest. Notwithstanding any other provision herein to the contrary, while the Series A Subordinate Credit Provider issuing the Series A Subordinate Credit Instrument is the Trustee or an affiliate of the Trustee and such Series A Subordinate Credit Provider has not failed to comply with its payment obligations under the Series A Subordinate Credit Instrument, the Trustee shall have no discretion with respect to the exercise of remedies upon an Event of Default with respect to any Note or Notes secured by the Series A Subordinate Credit Instrument and shall do so only upon the written direction of such Series A Subordinate Credit Provider. The Trustee shall immediately tender its resignation and take prompt steps to have a successor trustee appointed satisfying the requirements of this Indenture if such affiliated Series A Subordinate Credit Provider shall fail at any time to honor a properly presented draw on the Series A Subordinate Credit Instrument.]

Section 6.05. [Provisions Relating to the Series A Subordinate Credit Provider. So long as the Series A Subordinate Credit Provider shall not be in default under the Series A Subordinate Credit Instrument, notwithstanding anything to the contrary set forth in this Indenture, the provisions of this Section shall govern:

(a) [Any provision of this Indenture expressly recognizing or granting rights in or to the Series A Subordinate Credit Provider may not be amended in any manner which affects the rights of the Series A Subordinate Credit Provider hereunder without the prior written consent of the Series A Subordinate Credit Provider. The Series A Subordinate Credit Provider reserves the right to charge the Trustee a fee (to be reimbursed by the Authority under Section 9.03 hereof) for any consent or amendment to this Indenture while the Series A Subordinate Credit Instrument is outstanding.]

(b) [In addition to the notices and information to be provided to the Series A Subordinate Credit Provider under other sections of this Indenture, the following information shall be delivered to the Series A Subordinate Credit Provider (to the attention of the _____ (_____)):]

(1) [a copy of any notice to be given to the registered Owners of the Series A Subordinate Bonds, including, without limitation, notice of any redemption or defeasance of Series A Subordinate Bonds, and any Certificate rendered pursuant to this Indenture relating to the security for the Series A Subordinate Bonds; and]

(2) [a copy of any notices delivered pursuant to the continuing disclosure undertaking in Section 18 of each District's Resolution.]

(c) [The following notices shall be sent to the attention of the General Counsel's Office of the Series A Subordinate Credit Provider:]

(1) [the Trustee shall notify the Series A Subordinate Credit Provider of any failure of any District to provide relevant notices, certificates, etc.; and]

(2) [notwithstanding any other provision of this Indenture, the Trustee shall immediately notify the Series A Subordinate Credit Provider if at any time

there is insufficient money to make any payments of principal of and/or interest on the Series A Notes as required and immediately upon the occurrence of any Event of Default hereunder.]

(d) [The Trustee will permit the Series A Subordinate Credit Provider to have access to and to make copies of all books and records relating to the Series A Notes and the Series A Subordinate Bonds at any reasonable time.]

(e) [The Series A Subordinate Credit Provider shall have the right to direct the Trustee to perform an accounting at the Trustee's expense (to be reimbursed by the Authority under Section 9.03 hereof), and the Trustee's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Series A Subordinate Credit Provider shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun and diligently pursued, but only if such extension would not materially adversely affect the interests of any Owner of the Series A Subordinate Bonds.]

(f) [The Series A Subordinate Credit Provider shall receive prior written notice of any Trustee resignation.]

(g) [Notwithstanding any other provision of this Indenture, in determining whether the rights of the Owners of the Series A Subordinate Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Trustee shall consider the effect on the Owners of the Series A Subordinate Bonds as if there were no Series A Subordinate Credit Instrument.]

(h) [To the extent that this Indenture confers upon or gives or grants to the Series A Subordinate Credit Provider any right, remedy or claim under or by reason of this Indenture, the Series A Subordinate Credit Provider is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.]

ARTICLE VII

COVENANTS

Section 7.01. Compliance with Indenture. The Trustee will not authenticate or deliver any Bonds in any manner other than in accordance with the provisions hereof and, if applicable, a Supplemental Indenture; and the Authority will not suffer or permit any default to occur hereunder, but will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it.

Section 7.02. Amendment of Notes. The Authority and the Trustee will not amend or permit the amendment of any Series of the Notes without the prior written consent of the corresponding Credit Provider, if any, the corresponding Supplemental Credit Enhancer, if any, or the corresponding Subordinate Credit Provider, if any, and without (a) (1) a determination that

such amendment does not materially adversely affect the interest of the Owners of the corresponding Series of Bonds, or (2) the written consents of the Owners of a majority in aggregate principal amount of the corresponding Series of Bonds then Outstanding, and (b) an Opinion of Counsel to the effect that such amendment will not cause interest on the corresponding Series of Bonds to be includable in gross income for federal income tax purposes; provided that no such amendment shall reduce the rate of interest or amount of principal or extend the time of payment thereof with respect to any Series of Notes.

In addition to the foregoing, (a) if such Series of Notes is the second or subsequent Series of Notes of a District and all obligations pertaining to all prior Series of Notes have not been discharged, the Authority and the Trustee will not amend or permit the amendment of such subsequent Series of Notes without the prior written consent of the Credit Provider(s), if any, the Supplemental Credit Enhancer(s), if any, and the Subordinate Credit Provider(s), if any, relating to such prior Series of Notes, and without (i) (A) a determination that such amendment does not materially adversely affect the interest of the Bond Owners of the related prior Series of Bonds, or (B) the written consents of the Bond Owners of the related prior Series of Bonds of a majority in aggregate principal amount of each such prior Series of Bonds then Outstanding, and (ii) an opinion of Counsel to the effect that such amendment will not cause interest on each such prior Series of Bonds to be includable in gross income for federal income tax purposes, and (b) if such Series of Notes is the first Series issued by a District, and one or more subsequent Series of Notes has been issued, the Authority and the Trustee will not amend or permit the amendment of the first Series of Notes without the prior written consent of each Credit Provider (if applicable), each Supplemental Credit Enhancer (if applicable) or each Subordinate Credit Provider (if applicable) relating to such subsequent Series of Notes, and without (i) (A) a determination that such amendment does not materially adversely affect the interests of the Bond Owners of each such subsequent Series of Bonds, or (B) the written consents of the Bond Owners of a majority in aggregate principal amount of each such related subsequent Series of Bonds then Outstanding, and (ii) an Opinion of Counsel to the effect that such amendment will not cause interest on each such related subsequent Series of Bonds to be includable in gross income for federal income tax purposes.

Section 7.03. Observance of Laws and Regulations. The Authority will faithfully observe and perform all lawful and valid obligations or regulations now or hereafter imposed on it by contract, or prescribed by any, state or national law, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by it, including its right to exist and carry on its business, to the extent that such observance or performance is material to the transactions contemplated hereby.

Section 7.04. Tax Covenants. (a) The Authority covenants that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Authority covenants that it will comply with the requirements of each tax certificate or supplement thereto entered into on the date each Series of Bonds is issued (collectively, the "Tax Certificate"), which are incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Bonds.

(b) In the event that at any time the Authority is of the opinion that for purposes of this section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Authority shall so instruct the Trustee under this Indenture in writing, and the Trustee shall act in accordance with such instructions.

(c) Notwithstanding any provisions of this section, if the Authority shall provide to the Trustee an Opinion of Counsel of recognized standing in the field of law relating to municipal bonds that any specified action required under this section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds or any Series of Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this section and of the applicable Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent. The Trustee makes no covenant, representation or warranty concerning the current or future tax status of interest on the Bonds.

Section 7.05. Liens. So long as any Bonds are Outstanding, or any Predefault Obligation or Reimbursement Obligation is outstanding, the Authority will not create or suffer to be created any pledge of or lien on the Notes other than the pledge and lien hereof.

Section 7.06. Accounting Records and Statements. The Trustee shall keep proper books of record and account in accordance with corporate trust industry standards in which complete and correct entries shall be made of all transactions relating to the receipt, investment, disbursement, allocation and application of the Note repayments and the proceeds of the Notes and the Bonds. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Trustee is to be allocated and shall set forth, in the case of each investment: (a) its purchase price; (b) identifying information, including par amount, coupon rate, and payment dates; (c) the amount received at maturity or its sale price, as the case may be; (d) the amounts and dates of any payments made with respect thereto; and (e) such documentation as is required to be obtained as evidence to establish that all investments have been purchased in arms' length transactions with no amounts paid to reduce the yield on the investments.

Such records shall be open to inspection by each Credit Provider, each Supplemental Credit Enhancer, each Subordinate Credit Provider, the Authority and any District at any reasonable time during regular business hours on reasonable notice. Not later than 45 Business Days after the final Principal Payment Date, and upon retirement of all Bonds, the Trustee will furnish to the Districts, each Credit Provider, each Supplemental Credit Enhancer, each Subordinate Credit Provider, the Authority and any Owner who may so request (at the expense of such Owner) a statement (which may be its regular account statements) covering the receipts, deposits and disbursements of the funds hereunder.

Section 7.07. Recordation and Filing. The Trustee will file, record, register, renew, refile and rerecord all such documents, including financing statements (or continuation statements in connection therewith), as may be required by law in order to maintain at all times a security interest in the Notes and the Credit Fund under and pursuant to the Indenture, all in such manner, at such times and in such places as may be required in order to fully perfect, preserve and protect the benefit, protection and security of the Owners, each Credit Provider, each Supplemental Credit Enhancer, and each Subordinate Credit Provider, if any, and the rights of the Trustee hereunder,

and the Trustee will do whatever else may be necessary or be reasonably required in order to perfect and continue the pledge of and lien on the Notes and Note payments as provided herein.

Section 7.08. Further Assurances. Whenever and so often as requested to do so by the Trustee, any Credit Provider, any Supplemental Credit Enhancer, any Subordinate Credit Provider, or any Owner, the Authority will promptly execute and deliver, or cause to be executed and delivered, all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee, such Credit Provider, such Supplemental Credit Enhancer, such Subordinate Credit Provider, and the Owners the benefit, protection and security conferred, or intended to be conferred, upon them hereby.

Section 7.09. Satisfaction of Predefault Obligations. In accordance with any applicable provisions of a Credit Agreement, Supplemental Credit Enhancement Agreement, and/or a Subordinate Credit Agreement, upon receipt of instructions from the Authority or any District, resulting from the Authority's or such District's receipt of notice and request for payment of Predefault Obligations from the applicable Credit Provider or Supplemental Credit Enhancer and/or Subordinate Credit Provider, pursuant to applicable provisions of the applicable Credit Agreement, Supplemental Credit Enhancement Agreement and/or Subordinate Credit Agreement, as applicable, the Trustee shall remit to the applicable Credit Provider or Supplemental Credit Enhancer and/or Subordinate Credit Provider, moneys held by the Trustee and allocable to such liable District which moneys are available under the Indenture for payment of such amounts due to the applicable Credit Provider or Supplemental Credit Enhancer and/or Subordinate Credit Provider. However, the amount remitted from such moneys which are allocable to a specific District shall not exceed that District's allocable share of the total amount due to the applicable Credit Provider or Supplemental Credit Enhancer and/or Subordinate Credit Provider. If such moneys held by the Trustee are insufficient to pay the District's allocable share of such Predefault Obligations, the District shall pay the amount of the deficiency to the Trustee for remittance to the applicable Credit Provider or Supplemental Credit Enhancer and/or Subordinate Credit Provider. Moneys thus received by the Trustee from the Districts shall be deposited in the Bond Payment Fund and the applicable Payment Account attributable to the corresponding District and Series of Bonds and shall be paid to the applicable Credit Provider or Supplemental Credit Enhancer and/or Subordinate Credit Provider by the fifteenth day after delivery by the applicable Credit Provider or Supplemental Credit Enhancer and/or Subordinate Credit Provider to the District or Districts of notice that amounts are due to the applicable Credit Provider or Supplemental Credit Enhancer and/or Subordinate Credit Provider pursuant to the provisions of the applicable Credit Agreement or Supplemental Credit Enhancement Agreement and/or Subordinate Credit Agreement.

Section 7.10. Rebate Fund. (a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. The Authority shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to each Tax Certificate. Subject to the transfer provisions provided in paragraph (E) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Amount (as defined in the applicable Tax Certificate), for payment to the federal government of the United States of America. The Authority, the Districts, each Credit Provider, each Supplemental Credit Enhancer, if any, each Subordinate Credit Provider, if any, the Owner of any Senior Bonds or the Owner of any

Subordinate Bonds shall have no rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this section and by the applicable Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority including supplying all necessary information in the manner provided in the applicable Tax Certificate, and shall have no liability or responsibility to enforce compliance by the Districts or the Authority with the terms of the applicable Tax Certificate.

(b) Upon the Authority's written direction, an amount shall be deposited to the Rebate Fund and to a special account therein corresponding to the applicable Series of Bonds (the "Rebate Fund Subaccount") by the Trustee from deposits by Districts, if and to the extent required, so that the balance of such Rebate Fund Subaccount after such deposit shall equal the Rebate Amount for the Bond Year (as defined in the applicable Tax Certificate) calculated as of the most recent Calculation Date (as defined in the applicable Tax Certificate). Computations of the Rebate Amount shall be furnished by or on behalf of the Authority in accordance with the applicable Tax Certificate.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this section, other than from moneys held in the funds and accounts created under this Indenture or from other moneys provided to it by the Districts or the Authority.

(d) The Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments, according to written instructions of the Authority. The Trustee shall deposit all earnings (calculated by taking into account net gains or losses on sales or exchanges and taking into account amortized discount or premium as a gain or loss, respectively) on investments held in a particular Rebate Fund Subaccount into such Rebate Fund Subaccount. Money shall not be transferred from the Rebate Fund except as provided in paragraph (e) below.

(e) Upon receipt of the Authority's written directions, the Trustee shall remit part or all of the balance in a Rebate Fund Subaccount to the United States, as so directed. In addition, if on the first day of any Bond Year the amount credited to a Rebate Fund Subaccount exceeds the Rebate Requirements, if the Authority so directs, the Trustee will deposit moneys into or transfer moneys out of such Rebate Fund Subaccount to the extent of such excess from or into such accounts or funds as directed by the Authority's written directions. Any funds remaining in the Rebate Fund Subaccounts after redemption and payment of all of the Senior Bonds and Subordinate Bonds and payment and satisfaction of all Rebate Amount, Predefault Obligations and Reimbursement Obligations pertaining to any Series of Bonds shall be withdrawn and remitted to the Authority which shall, in turn, remit such amount to the Districts pro rata in accordance with the principal amount of the Districts' corresponding Series of Notes or as otherwise instructed by Bond Counsel.

(f) Notwithstanding any other provision of this Indenture, including in particular Article XI hereof, the obligation to remit the Rebate Amounts to the United States and to comply with all other requirements of this section and the applicable Tax Certificate shall survive the defeasance or payment in full of the Bonds.

(g) Without limiting the generality of the foregoing, the Authority agrees that it will pay or cause to be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds. The Authority specifically covenants to pay or cause to be paid to the United States at the times and in the amount determined above the Rebate Amounts, as described in the applicable Tax Certificate but only from amounts derived hereunder or from the Districts. The Trustee shall comply with all written instructions of the Authority given in accordance with the Authority's responsibilities under the applicable Tax Certificate. The Trustee shall have no responsibility to research, calculate, or verify any instructions received from the Authority pursuant to the applicable Tax Certificate.

(h) Notwithstanding any provision of this section, if the Authority shall provide to the Trustee an opinion of Orrick, Herrington & Sutcliffe LLP to the effect that any action required under this section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Bonds pursuant to Section 103 of the Code, the Authority and the Trustee may rely conclusively on such opinion in complying with the provisions hereof and such opinion.

ARTICLE VIII

DEFAULT AND LIMITATIONS OF LIABILITY

Section 8.01. Action on Default. If any "Event of Default" as defined in a Note Resolution shall occur and be continuing, then such default shall constitute an "Event of Default" hereunder, and in each and every such case during the continuance of such Event of Default the Trustee or, subject to Section 8.05, the Owners of not less than a majority in aggregate principal amount of the corresponding Series of Bonds at the time Outstanding shall be entitled, upon notice in writing to such District, to exercise the remedies provided to the Owner of the Series of Notes then in default or under the Note Resolution pursuant to which it was issued.

Section 8.02. Other Remedies of the Trustee. The Trustee shall have the right—

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against any District or any trustee, member, officer or employee thereof, and to compel any such District or any such trustee, member, officer or employee thereof to observe or perform its or his duties under applicable law and the agreements, conditions, covenants and terms contained herein, or in the applicable Series of Notes and Note Resolution, required to be observed or performed by it or him;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee, the Owners of the corresponding Series of Bonds, or the corresponding Credit Provider, Supplemental Credit Enhancer or Subordinate Credit Provider; or

(c) by suit in equity upon the happening of any default hereunder to require any District and any trustee, member, officer and employee thereof to account as the trustee of any express trust.

Section 8.03. Non-Waiver. A waiver by the Trustee of any default hereunder or breach of any obligation hereunder shall not affect any subsequent default hereunder or any subsequent breach of an obligation hereunder or impair any rights or remedies on any such subsequent default hereunder or on any such subsequent breach of an obligation hereunder. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default hereunder shall impair any such right or remedy or shall be construed to be a waiver of any such default hereunder or an acquiescence therein, and every right or remedy conferred upon the Trustee by applicable law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee, the corresponding Credit Provider, the corresponding Supplemental Credit Enhancer, the corresponding Subordinate Credit Provider, the Authority or the Districts, then such parties shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Notwithstanding anything to the contrary, no waiver by the Trustee of any default hereunder or breach of any obligation hereunder with respect to any District shall be effective without the prior written consent of the corresponding Credit Provider, Supplemental Credit Enhancer, and Subordinate Credit Provider, as applicable.

Section 8.04. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VIII shall be apportioned by the Trustee, after payment of all amounts due and payable under Section 9.03 hereof, in accordance with the priority provisions set forth in Section 8(F) of the applicable District's Note Resolution. Each such apportioned payment shall be deposited into the segregated Payment Accounts attributable to the corresponding Series of Notes of the defaulting District in the Bond Payment Fund and shall be applied by the Trustee in the following order upon presentation of the several affected Series of Senior Bonds and/or Subordinate Bonds, as applicable, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, Costs and Expenses: to the payment of the costs and expenses of the Trustee and of the Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel;

Second, Interest: to the payment to the persons entitled thereto of all payments of interest on the applicable Series of Bonds then due in the order of the due date of such payments, and, if the amount available shall not be sufficient to pay in full any payment or payments coming due on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

Third, Principal: to the payment to the persons entitled thereto of the unpaid principal of the applicable Series of Bonds which shall have become due, in the order of their due dates, with interest on the overdue principal and interest on the applicable Series of Bonds at a rate equal to the applicable Default Rate and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the applicable Series of Bonds on any date, together with such interest, then to the payment thereof ratably,

according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

Fourth, Predefault Obligations and Reimbursement Obligations: to the payment of all Predefault Obligations and Reimbursement Obligations not paid applicable to such District which the Credit Provider(s), Supplemental Credit Enhancer(s) and/or the Subordinate Credit Provider(s) will apply in accordance with the corresponding Credit Agreement(s), Supplemental, Credit Enhancement Agreement(s) and/or Subordinate Credit Agreement;

provided, however, that (i) all principal of and interest on the related Series of Senior Bonds shall be paid prior to any payments due with respect to a corresponding Series of Subordinate Bonds (including any payment to the corresponding Credit Provider, Supplemental Credit Enhancer, or Subordinate Credit Provider), and (ii) all amounts in the Senior Credit Account of the Credit Fund attributable to each such Series shall be applied (without regard to Section 9.03 hereof) solely to payment of the principal of and interest on the corresponding Series of Senior Bonds and all amounts in the Subordinate Credit Account of the Credit Fund attributable to each such Series shall be applied (without regard to Section 9.03 hereof) solely to payment of the principal of and interest on the corresponding Series of Subordinate Bonds; and provided, further, that the Trustee shall follow the instructions contained in an Opinion of Counsel provided by the Authority and rebate or set aside for rebate from the specified funds held hereunder any amount pursuant to such instructions required to be paid to the United States of America under the Code.

Section 8.05. Remedies Not Exclusive; Supplemental Credit Enhancer's, Credit Provider's or Subordinate Credit Provider's Control of Remedies. No remedy conferred herein upon or reserved herein to the Trustee is intended to be exclusive and all remedies shall be cumulative and each remedy shall be in addition to every other remedy given hereunder or now or hereafter existing under applicable law or equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other applicable law.

Notwithstanding anything to the contrary herein, each Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider, if any, in such order, so long as it has not failed to comply with its payment obligations under the corresponding Supplemental Credit Enhancement, Credit Instrument or Subordinate Credit Instrument, as applicable, shall have the right to direct the remedies upon any Event of Default hereunder relating to the corresponding Series of Notes or Bonds but only so long as such action will not materially adversely affect the rights of any Owner, and such Supplemental Credit Enhancer's or Credit Provider's or Subordinate Credit Provider's prior consent shall be required to any remedial action proposed to be taken by the Trustee hereunder. The Trustee shall immediately notify DTC (or any successor securities depository), the applicable Credit Provider, the Supplemental Credit Enhancer, Subordinate Credit Provider, if any, and the Authority of any Event of Default and of the curing of any Event of Default of which a responsible officer of the Trustee has actual knowledge.

Section 8.06. Exercise of Remedies. Upon the exercise by the requisite number of Owners, the Trustee, the Credit Provider, the Supplemental Credit Enhancer or the Subordinate Credit Provider of its right of action to institute suit directly against a District to enforce payment of the corresponding Series of Notes, any moneys recovered by such action shall be deposited with the Trustee and applied as provided in Section 8.04.

Section 8.07. Limited Liability of the Authority. Except as expressly provided herein, the Authority shall not have any obligation or liability to the Trustee, the Owners, any Credit Provider, any Supplemental Credit Enhancer or any Subordinate Credit Provider with respect to the payment when due of the Notes by the Districts, or with respect to the observance or performance by the Districts of the other agreements, conditions, covenants and terms contained in the Notes and the Note Resolutions (including but not limited to any rebate liability on the Notes), or with respect to the performance by the Trustee of any obligation contained herein required to be performed by it. Notwithstanding anything to the contrary contained in the Bonds, the Indenture or any other document related thereto, the Authority shall not have any liability hereunder or by reason hereof or in connection with any of the transactions contemplated hereby except to the extent payable from moneys received from or with respect to the Notes and available thereof in accordance with this Indenture.

Section 8.08. Limited Liability of the Districts. Except as expressly provided in the respective Notes and Note Resolutions, the Districts shall not have any obligation or liability to the Authority, the Trustee, the Owners, any Credit Provider, any Supplemental Credit Enhancer or any Subordinate Credit Provider with respect to this Indenture or the preparation, execution, delivery, transfer, exchange or cancellation of the Bonds or the receipt, deposit or disbursement of the principal of and interest on the Notes by the Trustee, or with respect to the performance by the Trustee of any obligation contained herein required to be performed by it.

Notwithstanding anything to the contrary herein or in any Note or document referred to herein, no District shall incur any obligation under Article VIII, Section 3.03(b), Section 5.01, Section 6.01 or Section 6.03 or otherwise hereunder, except to the extent payable from unencumbered revenues attributable to its 2020-2021 fiscal year, nor shall any District incur any obligation on account of any default, action or omission of any other District.

Section 8.09. Limited Liability of the Trustee. Except as expressly provided herein, the Trustee shall not have any obligation or liability to the Owners, any Credit Provider, any Supplemental Credit Enhancer or any Subordinate Credit Provider with respect to the payment when due of the Notes by the Districts, or with respect to the observance or performance by the Districts of the other agreements, conditions, covenants and terms contained in the Notes and the Note Resolutions.

ARTICLE IX

THE TRUSTEE

Section 9.01. Employment and Duties of the Trustee. The Authority appoints and employs the Trustee to receive deposit and disburse the proceeds of and payments on the Notes as provided herein, to register, authenticate, deliver, transfer, exchange and cancel the Bonds as provided herein, to pay the interest on and principal of the Bonds to the Owners thereof as provided herein and to perform the other obligations of the Trustee, and to exercise the remedies contained herein, all in the manner provided herein and subject to the conditions and terms hereof. By executing and delivering the Indenture, the Trustee undertakes to perform such obligations.

Prior to an Event of Default, and after all Events of Default have been cured, the Trustee shall only perform the duties specifically set forth in this Indenture, and no implied duties, covenants or obligations shall be read into this Indenture. During the existence of an uncured Event of Default, the Trustee shall exercise such of the rights and powers vested in it herein and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of personal affairs; provided, however, with respect to any Event of Default caused by a District, the Trustee shall only exercise such rights and powers with respect to such District.

The Trustee shall bear no responsibility for the recitals contained in this Indenture. The Trustee makes no representation regarding the security for the Bonds or the tax status of the interest thereon.

Section 9.02. Removal and Resignation of the Trustee. The Authority, with the consent of the Series A Credit Provider, and the Series A Supplemental Credit Enhancer and the Series A Subordinate Credit Provider, if any, may at any time remove the Trustee by giving written notice of such removal by mail to the Trustee, all of the Districts, all Owners of Bonds, all Additional Supplemental Credit Enhancers, Additional Credit Providers, if any, and Additional Subordinate Credit Providers, if any, and the Trustee may at any time resign by giving written notice by mail of resignation to all Credit Providers and all Subordinate Credit Providers, the Authority, the Districts, all Supplemental Credit Enhancers and all Owners of Bonds. The Series A Credit Provider or the Series A Supplemental Credit Enhancer, or the Series A Subordinate Credit Provider, may, at any time remove the Trustee if such Series A Credit Provider or Series A Supplemental Credit Enhancer, or and the Series A Subordinate Credit Provider, as applicable, is not in default on its payment obligations under the corresponding Series A Credit Instrument or Series A Supplemental Credit Enhancement, or and the Series A Subordinate Credit Instrument, as applicable. The Series A Credit Provider or Series A Supplemental Credit Enhancer, or and the Series A Subordinate Credit Provider, as applicable, shall give written notice by mail of such removal to the Trustee, the Authority, all Supplemental Credit Enhancers, all of the Districts, any Additional Credit Provider or any Additional Subordinate Credit Provider, if any and as applicable, all of the Supplemental Credit Enhancers and all Owners of Bonds. If such removal is at the request of the Series A Credit Provider or Series A Supplemental Credit Enhancer, or and the Series A Subordinate Credit Provider, and the Trustee has not been removed due to its willful misconduct or negligence hereunder, such Series A Credit Provider or Series A Supplemental Credit Enhancer or and the Series A Subordinate Credit Provider, shall reimburse the Authority and the Districts for any additional costs resulting from such removal. Upon giving any such notice of removal or upon receiving any such notice of removal or resignation, the Authority shall promptly appoint a successor Trustee acceptable to the Series A Credit Provider and Series A Supplemental Credit Enhancer, or and the Series A Subordinate Credit Provider, as applicable, by an instrument in writing; provided, that if the Authority does not appoint a successor Trustee within sixty (60) days following the giving of any such notice of removal or the receipt of any such notice of resignation, the removed or resigning Trustee may petition any appropriate court having jurisdiction to appoint a successor Trustee. Any successor Trustee shall be a commercial bank with trust powers or trust company doing business and having a principal corporate trust office either in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least seventy-five million dollars ($75,000,000) and subject to supervision or examination by state or national authorities. If such bank or trust company

publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

In the event the Series A Bonds are paid in full and all Predefault and Reimbursement Obligations due and owing with respect to such Series A Bonds have been satisfied, the provisions of the preceding paragraph will apply with the phrase "applicable Additional Credit Provider or applicable Additional Subordinate Credit Provider, if any, and as applicable" substituted for the Series A Credit Provider.

Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only when the successor Trustee has provided written acceptance of its appointment to the Authority and each Credit Instrument, if any, Supplemental Credit Enhancement, if any, and Subordinate Credit Instrument, if any, are transferred in accordance with their respective terms.

Section 9.03. Compensation of the Trustee. The Authority, solely from amounts held in the Costs of Issuance Fund or paid by the Districts specifically for such purpose, shall from time to time, subject to any agreement then in effect with the Trustee, pay the Trustee compensation for its services (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and reimburse the Trustee for all its advances and expenditures hereunder, including, but not limited to, advances to and fees and expenses of accountants, agents, appraisers, consultants, counsel (including the allocated costs and disbursements of in-house counsel, to the extent such services are not redundant with those provided by outside counsel) or other experts employed by it in the observance and performance of its rights and obligations hereunder; provided, that the Trustee shall not have any lien for such compensation or reimbursement against any money held by it in any of the funds established hereunder, although the Trustee may take whatever legal actions are available to it directly against the Districts to recover such compensation or reimbursement.

Section 9.04. Protection of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding upon any affidavit, bond, Certificate, consent, notice, Request, Requisition, resolution, statement, telegram, voucher, waiver or other paper or document which it shall believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may consult with counsel, who may be counsel to the Authority or the Districts, with regard to legal questions arising hereunder, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in accordance therewith.

The Trustee shall not be responsible for the sufficiency of the payments on the Notes, or of the assignment made to it of all rights to receive the payments on the Notes and shall not be deemed to have knowledge of any Event of Default unless and until a responsible officer has actual knowledge thereof or has received written notice thereof at its principal corporate trust office in

Los Angeles, California. The Trustee shall not be accountable for the use or application by the Districts, or any other party, of any funds which the Trustee properly releases to the Districts or which the Districts may otherwise receive from time to time. The Trustee makes no representation concerning, and has no responsibility for, the validity, genuineness, sufficiency, or performance by parties other than the Trustee of the Indenture, any Bond, any Note, any Note Resolution, any Credit Instrument, any Supplemental Credit Enhancement, any Subordinate Credit Instrument, any Credit Agreement, any Supplemental Credit Enhancement Agreement, any Subordinate Credit Agreement or of any other paper or document, or for taking any action on them (except as specifically and expressly stated for the Trustee in the Indenture).

Whenever in the observance or performance of its rights and obligations hereunder or under the Bonds the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Authority, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee and its officers and employees may buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owner may be entitled to take with like effect as if it were not a party hereto. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Districts, and may act as agent, depositary or trustee for any committee or body of Owners or of owners of obligations of the Districts as freely as if it were not the Trustee hereunder.

The Trustee shall not be liable for the exercise of any of its rights hereunder or for the performance of any of its obligations hereunder or for anything whatsoever in connection with the funds established hereunder, except only for its own willful misconduct or negligence. Absent negligence or willful misconduct, the Trustee shall not be liable for an error of judgment.

No provision hereof shall require the Trustee to expend or risk its own funds or otherwise incur any financial or other liability or risk in the performance of any of its obligations hereunder, or in the exercise of any of its rights hereunder, and before taking any remedial action hereunder (other than drawing on the applicable Credit Instrument or applicable Supplemental Credit Enhancement or applicable Subordinate Credit Instrument, as the case may be) the Trustee may require that indemnity satisfactory to it be furnished for all expenses to which it may be put and to protect it, its directors, officers, employees and agents from all liability thereunder. The Trustee may execute any of its trusts or other powers or perform its duties through attorneys, agents or receivers.

The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to any Series of the Bonds.

Section 9.05. Notices to Rating Agencies. The Trustee shall notify S&P and Moody's (or whichever one is then rating any Series of the Senior Bonds), in writing, upon occurrence of

any of the following events: (i) any amendment, supplement or other change to the Indenture from the form originally executed and entered into; (ii) any amendment, supplement or other change to any Credit Agreement, Supplemental Credit Enhancement Agreement or Subordinate Credit Agreement from the form originally executed and entered into; (iii) any amendment, supplement or other change to any Credit Instrument, Supplemental Credit Enhancement or Subordinate Credit Instrument from the form originally executed and entered into; (iv) any amendment, supplement or other change to any Note Resolution (that the Trustee is aware of); (v) the termination of any Credit Instrument, Supplemental Credit Enhancement or Subordinate Credit Instrument or any Investment Agreement; (vi) the occurrence or curing of any Event of Default; (vii) defeasance of the Bonds or any Series or portion thereof; and (viii) the tax-exempt status of the Bonds has been adversely affected, and the Trustee has received specific notice thereof from the Authority; provided, however, that the Trustee shall incur no liability for failure to so notify.

ARTICLE X

AMENDMENT OF OR SUPPLEMENT TO THE INDENTURE

Section 10.01. Amendment or Supplement of Indenture. The Indenture and the rights and obligations of the Owners and the Trustee hereunder may be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding when the written consents of each Credit Provider, each Supplemental Credit Enhancer, each Subordinate Credit Provider and of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 10.02, are filed with the Trustee. No such amendment or supplement shall (1) reduce the rate of interest on any Bond or extend any Interest Payment Date applicable to any Series of Senior Bonds or Interest Payment Date applicable to any Series of Subordinate Bonds or reduce the amount of principal of any Bond or extend the Principal Payment Date applicable to any Series of Senior Bonds or the Principal Payment Date applicable to any Series of Subordinate Bonds thereof (it being understood, however, that any such extension shall have no effect on duration of the applicable Credit Instrument, the applicable Supplemental Credit Enhancement or applicable Subordinate Credit Instrument, as the case may be) or modify the payment priority for any Bond without the prior written consent of the Owner of the Bonds so affected, or (2) reduce the percentage of Owners whose consent is required by the terms of this Indenture for the execution of certain amendments hereof or supplements hereto, or (3) modify any of the rights or obligations of the Trustee without its prior written consent thereto.

The Indenture and the rights and obligations of the Owners and the Trustee hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution with the prior written consent of each Credit Provider, each Supplemental Credit Enhancer and each Subordinate Credit Provider, but without the written consents of any Owners, in order to make any modifications or changes to Exhibits B, C or D hereto or to make any modifications or changes necessary or appropriate in the Opinion of Counsel to preserve or protect the exclusion from gross income of interest on any or all of the Bonds for federal income tax purposes, or, but only to the extent that such amendment shall not materially adversely affect the interests of the Owners, for any purpose including, without limitation, one or more of the following purposes—

(a) to add to the agreements, conditions, covenants and terms contained herein required to be observed or performed by the Authority, other agreements, conditions, covenants and terms thereafter to be observed or performed by the Authority, or to surrender any right reserved herein to or conferred herein on the Authority;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority may deem desirable or necessary; or

(c) to modify, amend or supplement this Indenture or any supplement hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America and, if the Authority or Bond Counsel so determine, to add to this Indenture or any supplement hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

The Indenture and the rights and obligations of the Owners and the Trustee hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution without the prior written consent of any Credit Provider, any Series A Supplemental Credit Enhancer, any Subordinate Credit Provider, or any Series A Bond Owners, for the purpose of issuing and securing one or more Series of Additional Bonds.

Section 10.02. Disqualified Bonds. Bonds held for the account of the Authority or the Districts (but excluding Bonds held in any pension or retirement fund of the Districts) shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided herein, and shall not be entitled to consent to or take any other action provided herein, and the Trustee may adopt appropriate regulations to require each Owner, before his consent provided for herein shall be deemed effective, to reveal if the Bonds as to which such consent is given are disqualified as provided in this section.

Section 10.03. Procedure for Amendment with Written Consent of the Owners Each Supplemental Credit Enhancer Each Credit Provider and/or Each Subordinate Credit Provider. The Indenture may be amended by supplemental agreement as provided in this Section 10.03 in the event the consent of the Owners and each Credit Provider, each Supplemental Credit Enhancer and Subordinate Credit Provider is required pursuant to Section 10.01 hereof. A description of the proposed amendment, together with a request to the Owners for their consent thereto, shall be mailed by the Trustee to each Owner of an Outstanding Bond and each Credit Provider, each Supplemental Credit Enhancer and each Subordinate Credit Provider at their addresses as set forth in the Bond registration books maintained pursuant to Section 2.07 hereof, but failure to receive copies of such description and request so mailed shall not affect the validity of the supplemental agreement when assented to as in this section provided. Nothing herein shall be deemed to require the mailing of the supplemental agreement itself to the Owners.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 10.02

hereof) and each Credit Provider, each Supplemental Credit Enhancer and each Subordinate Credit Provider, and notices shall have been mailed as hereinafter in this section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be acceptable to the Trustee. Any such consent shall be binding upon the Owner of the Bond giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the Trustee has received the required percentage of consents of the Owners of the Bonds and acknowledged the same to the Districts.

After the Owners of the required percentage of Bonds and each Credit Provider, each Supplemental Credit Enhancer and each Subordinate Credit Provider shall have filed their consents to such supplemental agreement, the Trustee shall acknowledge to the Authority, each Credit Provider, each Supplemental Credit Enhancer and each Subordinate Credit Provider the effectiveness of the agreement and shall mail a notice to the Districts, each Credit Provider, each Supplemental Credit Enhancer and each Subordinate Credit Provider and the Owners of the Bonds in the manner hereinbefore provided in this section for the mailing of such description, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Bonds and is effective as provided in this section (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this section to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved.

Section 10.04. Endorsement or Replacement of Bonds after Amendment or Supplement. After the effective date of any action taken as hereinabove provided, the Trustee or the Authority may determine that the Bonds shall bear a notation by endorsement in form approved by the Trustee as to such action, and in that case upon demand of the Owner of any Outstanding Bond and presentation of the Bond for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Bond. If the Trustee or the Authority shall so determine, new Bonds so modified as in the opinion of the Trustee shall be necessary to conform to such action shall be prepared, and in that case upon demand of the Owner of any Outstanding Bonds, such new Bonds shall be exchanged without cost to each Owner for Bonds then Outstanding at the office of the Trustee upon surrender of such Outstanding Bonds. All Bonds surrendered to the Trustee pursuant to the provisions of this section shall be cancelled by the Trustee and shall not be redelivered.

Section 10.05. Amendment or Supplement by Mutual Consent. The provisions of this article shall not prevent any Owner from accepting any amendment or supplement as to the particular Bonds owned by him; provided, that due notation thereof is made on such Bonds. No amendment or supplement of a Bond shall be made without prior compliance with the provisions of this Article X pertaining to amendment or supplement of this Indenture.

ARTICLE XI

DEFEASANCE

Section 11.01. Discharge of Bonds and Indenture.

(a) If the Trustee shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the interest and principal thereof at the times and in the manner provided herein and therein, then such Owners shall cease to be entitled to the pledge of and lien on the Notes and Note payments and any interest in the funds held hereunder as provided herein, and all agreements and covenants of the Authority to such Owners hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied.

(b) Any Outstanding Series of Bonds shall on their applicable Principal Payment Date be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if there shall be on deposit with the Trustee moneys which are sufficient to pay the interest on and principal of such Series of Bonds payable on and prior to their applicable Principal Payment Date.

(c) Any Outstanding Series of Bonds shall prior to their applicable Principal Payment Date be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient or United States Treasury bills, notes, bonds or certificates of indebtedness, or obligations for which the full faith and credit of the United States of America are pledged for the payment of interest and principal, and which are purchased with moneys and are not subject to redemption except by the holder thereof prior to maturity (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), the interest on and principal of which when paid will provide money which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an independent certified public accountant delivered to the Trustee and the corresponding Credit Provider and Supplemental Credit Enhancer or Subordinate Credit Provider, as the case may be, to pay when due the interest on such Series of Bonds and the principal of such Bonds on the applicable Principal Payment Date.

(d) After the payment of the interest on and principal of all Outstanding Bonds as provided in this section, at the Request of the Authority (if provided), the Trustee shall execute and deliver to the Authority and the Districts all such instruments as they may deem necessary or desirable to evidence the discharge and satisfaction of the Indenture, and the Trustee shall pay over or deliver to the Districts all money or deposits or investments held by it pursuant hereto (except for moneys held in the Rebate Fund) which are not required for the payment of the interest on and principal of such Bonds and the Trustee shall surrender all Credit Instruments, all Supplemental Credit Enhancements and all Subordinate Credit Instruments, to the applicable Credit Providers, Supplemental Credit Enhancers and Subordinate Credit Providers, respectively, for cancellation by the same.

(e) Notwithstanding anything to the contrary herein, the Indenture shall not be discharged without the prior written consent of the applicable Credit Providers, Supplemental

Credit Enhancers and Subordinate Credit Providers until all Predefault Obligations and Reimbursement Obligations have been paid or payment duly provided for by the Trustee's retention of sufficient funds to pay all Predefault Obligations and Reimbursement Obligations due or to become due as of the date of such discharge.

Section 11.02. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on or principal of any Bonds which remains unclaimed for two (2) years after the date when the payments on such Bonds have become payable, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Districts as their interests appear as their absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Districts for the payment of the interest on and principal of such Bonds it being understood that all Credit Instruments, all Supplemental Credit Enhancements, and all Subordinate Credit Instruments, as applicable, shall no longer be in effect at that time; provided, that before being required to make any such payment to the Districts, the Trustee shall, as a charge on such funds, give notice by mail to all Owners of Bonds that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of giving such notice, the balance of such money then unclaimed will be returned to the Districts.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Benefits of the Indenture Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Districts, the Trustee, the Authority, the Owners, each Credit Provider, each Supplemental Credit Enhancer, and each Subordinate Credit Provider, any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term contained herein required to be observed or performed by or on behalf of the Authority shall be for the sole and exclusive benefit of the Trustee, the Districts, each Credit Provider, each Supplemental Credit Enhancer, and each Subordinate Credit Provider, the Owners and their successors.

Section 12.02. Successor Deemed Included in All References to Predecessor. Whenever the Authority or the Trustee or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Authority or the Trustee or such officer, and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Authority or the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 12.03. Execution of Documents by Owners. Any consent, declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or such Owner's attorney

of any consent, declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

Any consent, declaration, request or other instrument in writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the Authority, Districts or the Trustee in accordance therewith.

Section 12.04. Waiver of Personal Liability; No Liability of Authority Members. No trustee, member, officer or employee of the Districts or the Authority shall be individually or personally liable for the payment of the interest on or principal of the Bonds, but nothing contained herein shall relieve any trustee, member, officer or employee of the Districts or the Authority from the performance of any official duty provided by any applicable provisions of law or by the Notes or the Note Resolution or the Indenture.

Notwithstanding anything to the contrary herein or in any other document, no entity that is a member of the Authority, its officers, directors, employees, and agents, shall have any liability of any kind hereunder or by reason of or in connection with any of the transactions contemplated hereby, other than in its capacity (if any) as a District hereunder.

Section 12.05. Content of Certificates; Post-Issuance Legal Opinions. Every certificate of the Authority or the Districts with respect to compliance with any agreement, condition, covenant or term contained herein shall include: (a) a statement that the person or persons executing such certificate have read such agreement, condition, covenant or term and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or term has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or term has been complied with.

Any Certificate of the Authority or the Districts may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person or persons executing such. certificate know that the Opinion of Counsel with respect to the matters upon which his or their certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters and information with respect to which is in the possession of the Districts or the Authority, upon a representation by an officer or officers of the Districts or the Authority unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based; as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 12.06. Notice by Mail. Any notice required to be given hereunder by mail to any Owners of Bonds shall be given by mailing a copy of such notice, first class postage prepaid, to the Owners of such Bonds at their addresses appearing in the books required to be kept by the Trustee pursuant to the provisions of Section 2.07 and to all Credit Providers, all Supplemental Credit Enhancers and all Subordinate Credit Providers not less than thirty (30) days nor more than sixty (60) days following the action or prior to the event concerning which notice thereof is required to be given; provided, that receipt of any such notice shall not be a condition precedent to the effectiveness of such notice, and failure to receive any such notice shall not affect the validity of the proceedings taken in connection with the action or the event concerning which such notice was given.

Section 12.07. Funds. Any fund or account required to be established and maintained herein by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such funds shall at all times be maintained in accordance with industry practice and with due regard for the instructions, if any, delivered to the Trustee pursuant to Section 7.04(b) and for the protection of the security of the Bonds and the rights of the Owners and all Credit Providers, all Supplemental Credit Enhancers and all Subordinate Credit Providers. All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture.

Section 12.08. Continuing Disclosure. (a) The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Authority or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Owner of at least 25% aggregate principal amount of Outstanding Series A Bonds or, if issued, the Owner of at least 25% aggregate principal amount of each Series of Outstanding Additional Bonds,) or any Series A Bond Owner, or, if Additional Bonds are issued, any Owner or any Beneficial Owner of an Additional Bond, the Trustee shall, but only to the extent indemnified to its satisfaction from any liability, cost, expense whatsoever, including, without limitation, fees and expenses of its attorneys and additional fees and expenses of the Trustee, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this section. For purposes of this section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series A Bonds or, if issued, Additional Bonds (including persons holding Series A Bonds or, if issued, Additional Bonds through nominees, depositories or other intermediaries).

(b) The Trustee shall notify the Authority, in writing, upon the occurrence of any of the Listed Events (as defined in the Continuing Disclosure Agreement), of which it has actual knowledge, provided, however, the Trustee shall not be liable to any party for any failure to so notify the Authority. The Trustee shall not be responsible to determine the materiality of any Listed Event. For purposes of this section, "actual knowledge" by the Trustee shall mean actual knowledge at its Principal Corporate Trust Office by the officer or officers of the Trustee for the administration of this Indenture.

Section 12.09. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular article, section, subdivision or clause thereof.

Section 12.10. Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms contained herein required to be observed or performed by or on the part of the Authority or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Bonds, and the Owners and all Credit Providers, all Supplemental Credit Enhancers and all Subordinate Credit Providers shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable law. The Authority and the Trustee hereby declare that they would have executed and entered into the Indenture and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Bonds pursuant hereto irrespective of the fact that any one or more of the articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 12.11. California Law. The Indenture shall be construed and governed in accordance with the laws of the State of California.

Section 12.12. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below or in the Supplemental Indenture, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Trustee:	U.S. Bank National Association 633 West Fifth Street, 24th Floor Los Angeles, CA 90071 Attention: Global Corporate Trust Telephone: (213) 615-6052 Telefax: (213) 615-6199
[If to the Series A Subordinate Credit Provider:]	[_____ Mail Code _____ _____ _____, _____ _____ Attention: _____ Telephone: (___) ___-____ Telefax: (___) ___-____]

If to the Authority:	California School Cash Reserve Program Authority c/o Moorpark Unified School District 5297 Maureen Lane Moorpark, California 93021 Telephone: (805) 378-6300 Telefax: (805) 531-6456
If to the Districts:	To the individual addresses as set forth in Exhibit A to the Purchase Agreement.
If to the Purchaser:	Piper Sandler Corporation 2321 Rosecrans Ave., Suite 3200 El Segundo, CA 90245 Telephone: (310) 297-6000 Telefax: (310) 297-6001
If to the Rating Agency:	Moody's Investors Service 99 Church Street New York, NY 10007 Telephone: (212) 553-3747 Telefax: (212) 964-6038 Standard and Poor's Ratings Group Municipal Finance Department 25 Broadway, 38th Floor New York, NY 10041 Telephone: (212) 438-7973 Telefax: (212) 438-2131

Section 12.13. Effective Date. The Indenture shall become effective upon its execution and delivery.

Section 12.14. Execution in Counterparts. The Indenture may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority has caused this Indenture to be signed in its name by its Chair, or by such other person as has been designated by its governing board, and U.S. Bank National Association, as Trustee, to evidence its acceptance of the trust hereby created, has caused the Indenture to be signed in the name of the Trustee by an authorized officer of the Trustee, all as of the day and year first above written.

CALIFORNIA SCHOOL CASH RESERVE PROGRAM AUTHORITY

By_____
Title: Chair

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By_____
Title: Vice President

SCHEDULE I

PARTICIPATING DISTRICTS
SERIES A BONDS

Issuer	Principal Amount	Credit Instrument; Credit Provider; Credit Agreement	Supplemental Credit Enhancement; Supplemental Credit Enhancer; Supplemental Credit Enhancement Agreement	Subordinate Credit Instrument; Subordinate Credit Provider; Subordinate Credit Agreement
				SEE BELOW*
				SEE BELOW*
				SEE BELOW*
				SEE BELOW*
				SEE BELOW*

* ["Series A Subordinate Credit Agreement" means the Credit Agreement, dated as of _____ 1, 20__, by and among the Districts and the Series A Subordinate Credit Provider, as the same may be amended from time to time; "Series A Subordinate Credit Instrument" means the irrevocable letter of credit issued by the Series A Subordinate Credit Provider with respect to the payment when due of the $_____ of principal and interest on the $_____ aggregate principal amount of California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds, Series A authorized by, and at any time Outstanding pursuant to, this Indenture, attributable to the first $_____of payment defaults by the Districts with respect to their Series A Notes, as provided therein; "Series A Subordinate Credit Provider" means _____, or any successor thereto.

** Issued in anticipation of complying with Section 148(f)(4)(B) of the Internal Revenue Code of 1986.

SCHEDULE II

INITIAL DEPOSITS TO DISTRICTS'

SERIES A NOTES

PROCEEDS SUBACCOUNTS

District	Series A Senior Bond Proceeds Amount	Series A Subordinate Bond Proceeds Amount	Total Series A Bonds Proceeds Amount

EXHIBIT A-1 [PART 1]

[FORM OF SENIOR BOND]

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. R-__ **$_____**

CALIFORNIA SCHOOL
CASH RESERVE PROGRAM AUTHORITY
2020-2021 SENIOR BOND, SERIES __

Interest Rate	Principal Payment Date	Date of Initial Delivery	CUSIP
____%	_____, 20__	_____, 20__	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____

THE CALIFORNIA SCHOOL CASH RESERVE PROGRAM AUTHORITY (the "Authority") promises to pay the registered Owner set forth above of this California School Cash Reserve Program Authority 2020-2021 Senior Bond, Series _ (the "Bond"), on the Principal Payment Date (the "Principal Payment Date") set forth above, upon surrender of this Bond on such Principal Payment Date at the principal corporate trust office of U.S. Bank National Association, as trustee, in Los Angeles, California (together with any successor thereto in accordance with the Indenture (as defined hereinafter), the "Trustee"), the principal sum set forth above, together with interest accruing from the date of initial issuance of this Bond and becoming due and payable [on _____, 20__ and] on such Principal Payment Date. Such interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. All such amounts are payable in lawful money of the United States of America.

This Bond is one of the duly authorized bonds entitled "California School Cash Reserve Program Authority 2020-2021 Senior Bonds, Series _" aggregating $_____ (the "Bonds") which have been issued by the Authority under and pursuant to the terms of an Indenture, dated as of _____ 1, 20__ (together with any supplements or amendments thereto, the "Indenture"), by and between the Trustee and the Authority. Copies of the Indenture are on file at said principal corporate trust office of the Trustee, and reference is hereby made to the Indenture for a description of the agreements, conditions, covenants and terms securing the Bonds, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the registered Owners of the Bonds with respect thereto, for the terms under which the Indenture can be amended, and for the other agreements, conditions, covenants and terms upon which the Bonds are issued thereunder, to all of which the Owner hereof assents and agrees by acceptance hereof.

The Bonds are authorized to be issued in the form of fully registered Bonds in denominations of five thousand dollars ($5,000) or any integral multiple thereof.

This Bond is transferable or exchangeable by the registered Owner hereof, in person or by his attorney duly authorized in writing, at said principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender of this Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer or exchange, a new Bond or Bonds of authorized denominations equal to the principal amount hereof will be delivered by the Trustee to the registered Owner hereof in exchange or transfer herefor.

The Trustee may treat the registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered Owner as above provided, which payments shall be valid and effectual to satisfy and discharge the liability evidenced and represented by this Bond to the extent of the sum or sums so paid.

The Bonds are a special obligation of the Authority and are secured by a pledge and assignment of a pool of the Tax and Revenue Anticipation Notes, Series ___ (the "Notes") issued by certain California school districts, community college districts and county boards of education (as more particularly described in the Indenture) (the "Districts") and payments with respect thereto, to the extent provided in the Indenture, subject to the provisions of the Indenture permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein.

Upon satisfaction of certain provisions of the Indenture, the Authority may issue (a) one or more additional series of California School Cash Reserve Program Authority 2020-2021 Senior Bonds payable from, and secured by a pledge and assignment of, a separate pool of tax and revenue anticipation notes issued by certain California school districts, community college districts and county boards of education (as more particularly described in the Indenture and any supplement thereto), some of which may also have issued Notes securing the Bonds, which Notes may be payable on a parity with or priority over such tax and revenue anticipation notes, and (b) one or more [additional] series of California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds subordinate to the corresponding series of additional senior bonds.

[*The following language is applicable only to Additional Senior Bonds*: Under the Indenture, the Authority has previously issued on _____ __, 20__, its outstanding California School Cash Reserve Program Authority 2020-2021 [Senior] Bonds, Series A, aggregating $_____ and its outstanding California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds, Series A, aggregating $_____ (collectively, the "Series A Bonds"), which are payable from, and secured by a pledge and assignment of, a separate pool of tax and revenue anticipation notes issued by certain California school districts, community college districts and county boards of education (as more particularly described in the Indenture and any supplement thereto), some of which may also have issued Notes securing the Bonds, which Notes may be payable on a parity with or priority over such tax and revenue anticipation notes.]

Reference is hereby made to the Indenture as the same may be amended and supplemented from time to time, for a description of the rights, limitation of rights, obligations, duties and immunities of the Authority, the Trustee and the registered Owners of the Bonds issued thereunder, including particularly the nature and extent of the security and provisions for payment of the Bonds and the relative priority of a certain portion of the Bonds and of the Notes. Copies of the Indenture are on file in the principal corporate trust office of the Trustee in Los Angeles, California.

[*The following paragraph is applicable to credit enhanced Bonds only*: The payment of [up to the first $_____ of] principal of and interest on the Bonds [attributable to the first $_____ of payment defaults by the Districts with respect to their Notes] is also secured by a letter of credit/policy of insurance issued by _____ in the amount of $_____ which letter of credit/policy of insurance expires on _____, 20__ unless terminated earlier in accordance with its terms.]

The rights and obligations of the Authority, the Districts and of the holders and registered Owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered Owners of Bonds.

The Bonds are not a lien or charge upon any funds or property of the Authority (except to the extent of the aforementioned pledge and assignment) and are payable solely from interest on and principal of the Notes. The Bonds are not a debt of any District or any member of the Authority, and no such District or member is liable in any manner for the payment thereof.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the issuing of this Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this Bond is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

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

IN WITNESS WHEREOF, this Bond has been dated the date of initial delivery hereof, and has been executed and attested by the manual or facsimile signatures of the Chair and Secretary of the Authority:

By_____
Chair

Attest:

_____
Secretary

Authenticated by the manual signature of an authorized officer of the Trustee on the following date:

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By_____
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____ whose tax identification number is _____ the within Bond and do(es) hereby irrevocably constitute(s) and appoint(s) attorney to transfer such Bond on the register of the Trustee, with full power of substitution in the premises.

Dated:

SIGNATURE GUARANTEED BY:

_____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever, and the signature(s) must be guaranteed by an eligible guarantor institution.

EXHIBIT A-2

[FORM OF SUBORDINATE BOND]

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. R-__ **$_____**

CALIFORNIA SCHOOL
CASH RESERVE PROGRAM AUTHORITY
2020-2021 SUBORDINATE BOND, SERIES __

Interest Rate	Principal Payment Date	Date of Initial Delivery	CUSIP
____%	_____, 20__	_____, 20__	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____

THE CALIFORNIA SCHOOL CASH RESERVE PROGRAM AUTHORITY (the "Authority") promises to pay the registered Owner set forth above of this California School Cash Reserve Program Authority 2020-2021 Subordinate Bond, Series _ (the "Bond"), on the Principal Payment Date (the "Principal Payment Date") set forth above, upon surrender of this Bond on such Principal Payment Date at the principal corporate trust office of U.S. Bank National Association, as trustee, in Los Angeles, California (together with any successor thereto in accordance with the Indenture, the "Trustee"), the principal sum set forth above, together with interest accruing from the date of initial issuance of this Bond and becoming due and payable [on _____, 20__ and] on such Principal Payment Date. Such interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. All such amounts are payable in lawful money of the United States of America.

This Bond is one of the duly authorized bonds entitled "California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds, Series ___" aggregating $_____ (the "Bonds"), which have been issued by the Authority under and pursuant to the terms of an Indenture (together with any supplements or amendments thereto, the "Indenture") dated as of _____ 1, 20__ by and between the Trustee and the Authority. Copies of the Indenture are on file at said office of the Trustee, and reference is hereby made to the Indenture for a description of the agreements, conditions, covenants and terms securing the Bonds, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the registered Owners of the Bonds with respect thereto, for the terms under which the Indenture can be amended, and for the other agreements, conditions, covenants and terms upon which the Bonds are issued thereunder, to all of which the Owner hereof assents and agrees by acceptance hereof.

The Bonds are authorized to be issued in the form of fully registered Bonds in denominations of five thousand dollars ($5,000) or any integral multiple thereof.

This Bond is transferable or exchangeable by the registered Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender of this Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer or exchange, a new Bond or Bonds of authorized denominations equal to the principal amount hereof will be delivered by the Trustee to the registered Owner hereof in exchange or transfer herefor.

The Trustee may treat the registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered Owner as above provided, which payments shall be valid and effectual to satisfy and discharge the liability evidenced and represented by this Bond to the extent of the sum or sums so paid.

The Bonds are a special obligation of the Authority and are secured by a pledge and assignment of a pool of the Tax and Revenue Anticipation Notes, Series ___ (the "Notes") issued by certain California school districts, community college districts and county boards of education (as more particularly described in the Indenture) (the "Districts") and payments with respect thereto, to the extent provided in the Indenture, subject to the provisions of the Indenture permitting the application thereof for the purposes, including payment of the Senior Bonds (as defined below), and on the terms and conditions set forth therein.

Payment of the principal of and interest on the Bonds is subordinate at any time to the payment of the principal of and interest on outstanding California School Cash Reserve Program Authority 2020-2021 Senior Bonds, Series _ aggregating $_____ (the "Senior Bonds") issued concurrently with the Bonds under the Indenture, all as provided in the Indenture.

Upon satisfaction of certain provisions of the Indenture, the Authority may issue (a) one or more additional series of California School Cash Reserve Program Authority 2020-2021 Senior Bonds payable from, and secured by a pledge and assignment of, a separate pool of tax and revenue anticipation notes issued by certain California school districts, community college districts and county boards of education (as more particularly described in the Indenture and any supplement thereto), some of which may also have issued Notes securing the Senior Bonds, which Notes may be payable on a parity with or priority over such tax and revenue anticipation notes, and (b) one or more additional series of California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds subordinate to the corresponding series of additional senior bonds.

[*The following language will apply to subordinate Additional Subordinate Bonds*: Under the Indenture, the Authority has previously issued on ____ __, 20__, (a) its outstanding California School Cash Reserve Program Authority 2020-2021 Senior Bonds, Series A, aggregating $_____, which are payable from, and secured by a pledge and assignment of, a separate pool of tax and revenue anticipation notes issued by certain California school districts, community college districts and county boards of education (as more particularly described in the Indenture

and any supplement thereto), some of which may also have issued Notes securing the Senior Bonds, which Notes may be payable on a parity with or priority over such tax and revenue anticipation notes[, and (b) its outstanding California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds, Series A, aggregating $_____.]

Failure to pay the principal of and interest on this Bond when due may not constitute a default under the Indenture. Reference is hereby made to the Indenture as the same may be amended and supplemented from time to time, for a description of the rights, limitation of rights, obligations, duties and immunities of the Authority, the Trustee and the registered Owners of the Bonds issued thereunder, including particularly the nature and extent of the security and provisions for payment of the Bonds, the Senior Bonds, [the Series A Bonds] and the relative priority of the Senior Bonds, the Series A Bonds and the Notes. Copies of the Indenture are on file in the principal corporate trust office of the Trustee in Los Angeles, California.

[The payment of principal of and interest on the Bonds is also secured by an irrevocable Letter of Credit/policy of insurance issued by _____, _____, in the amount of $_____, which Letter of Credit/policy of insurance expires on _____, 20__ unless terminated earlier in accordance with its terms.]

The Bonds are not a lien or charge upon any funds or property of the Authority (except to the extent of the aforementioned pledge). The Bonds are not a debt of any District (as defined in the Indenture) or any member of the Authority, and no such District or member is liable in any manner for the payment thereof.

The rights and obligations of the Authority, the Districts and the holders and registered Owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered Owners of Bonds.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the issuing of this Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this Bond is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, this Bond has been dated the date of initial delivery hereof, and has been executed and attested by the manual or facsimile signatures of the Chair and Secretary of the Authority:

By_____
Chair

Attest:

_____
Secretary

Authenticated by the manual signature of an authorized officer of the Trustee on the following date:

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By_____
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____ whose tax identification number is _____ the within Bond and do(es) hereby irrevocably constitute(s) and appoint(s) attorney to transfer such Bond on the register of the Trustee, with full power of substitution in the premises.

Dated:

SIGNATURE GUARANTEED BY:

_____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever, and the signature(s) must be guaranteed by an eligible guarantor institution.

EXHIBIT B

[FORM OF REQUISITION FROM PROCEEDS SUBACCOUNT]

To: U.S. Bank National Association, as Trustee

From: [District]

Re: California School Cash Reserve Program Authority 2020-2021 [Senior] Bonds, Series _ [and California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds, Series _] (the "Program")

Requisition No. ____

The undersigned, on behalf of the _____ District (the "District"), hereby requests payment, from the Proceeds Subaccount of the District established with respect to the District's [2020-2021 [Subordinate] Tax and Revenue Anticipation Notes, Series ___], pursuant to the Program, the amount of $_____ [by wire/check (circle one)] for purposes for which the District is authorized to use and expend moneys. If the payment is by wire, please fill in the following information:

Name of Bank:_____

ABA#:_____

Account No._____

The undersigned hereby certifies as follows:

1. The amount requisitioned hereby together with all other unreplenished withdrawals from all Proceeds Subaccounts of the District does not, as of the date hereof, exceed eighty-five percent (85%) of (a) the uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys intended as receipts for the general fund of the District and attributable to Fiscal Year 2020-2021 and which are generally available for the payment of current expenses and other obligations of the District (collectively, "unrestricted revenues") less (b) projected uncollectible unrestricted revenues of the District attributable to such Fiscal Year.

2. The amount requisitioned hereby (a) is for a purpose for which the District is authorized to use and expend funds from the general fund or capital fund of the District, and (b) (if invested under the Investment Agreement) is not being requisitioned for reinvestment in other investments.

3. Other funds of the District are not readily available for expenditure for such purpose with respect to any operating draws.

4. The information contained herein is true and correct as of the date of this Requisition.

5. The representations of the District set forth in Section 12 of the Resolution of the District, providing for the borrowing of funds for Fiscal Year 2020-2021 and the issuance and sale of one or more Series of 2020-2021 Tax and Revenue Anticipation Notes therefor and authorizing participation in the Program (the "Resolution") are true and correct in all material respects as though made on and as of this date except to the extent that such representations relate to an earlier date.

6. As of the date hereof, no event has occurred and is continuing which constitutes an Event of Default under the Resolution or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

7. As of the date hereof, the District has not filed with the County Superintendent of Schools, the County Board of Education or the State Superintendent of Public Instruction, and has not received from the County Superintendent of Schools or the State Superintendent of Public Instruction, (a) a negative certification applicable to Fiscal Year 2019-2020 or Fiscal Year 2020-2021, or (b) a certification applicable to Fiscal Year 2019-2020 or Fiscal Year 2020-2021 that is lower than the certification held by the District on the date the above-captioned Series of Bonds were issued [as permitted by Section 3.03(b)(2) of the Indenture the representation in (b) may be modified to the extent a District complies with such the exception set forth therein].

Dated: _____, 20__.

_____
Authorized District Representative

_____ SUPPLEMENTAL INDENTURE

by and between

CALIFORNIA SCHOOL CASH RESERVE PROGRAM AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Dated as of _____, 20__

$_____
California School Cash Reserve Program Authority
2020-2021 Bonds, Series __

TABLE OF CONTENTS

Page

ARTICLE XIII SERIES __ BONDS 2

Section 13.01. Definitions 2

Section 13.02. Authorization and Terms of Series __ Bonds 3

Section 13.03. Form of Series __ Bonds 4

Section 13.04. Delivery of Series __ Bonds 4

Section 13.05. Establishment of Accounts; Deposit of Proceeds of Series __ Bonds 4

Section 13.06. Use of Money in the Series __ Costs of Issuance Account 5

Section 13.07. Disbursement of Moneys in Proceeds Subaccounts 5

Section 13.08. Assignment of Series __ Notes; Series __ Pledge Accounts 6

Section 13.09. Investments 7

Section 13.10. Continuing Disclosure 7

Section 13.11. Effect of _____ Supplemental Indenture 7

Section 13.12. Effective Date of _____ Supplemental Indenture 8

Section 13.13. Execution in Counterparts 8

SCHEDULE I – Participating Districts and Boards of Education

SCHEDULE II – Initial Deposits to Districts' Proceeds Subaccounts

_____ SUPPLEMENTAL INDENTURE

THIS _____ SUPPLEMENTAL INDENTURE (this "_____ Supplemental Indenture"), dated as of _____, 20__, is by and between the California School Cash Reserve Program Authority (the "Authority") and U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee");

W I T N E S S E T H:

WHEREAS, pursuant to the Indenture, dated as of _____, 20__ (the "Original Indenture"), by and between the Authority and the Trustee, the Authority issued its California School Cash Reserve Program Authority 2020-2021 Senior Bonds, Series A (the "Series A Senior Bonds"), in the aggregate amount of $_____, and its California School Cash Reserve Program Authority 2020-2021 Subordinate Bonds, Series A (the "Series A Subordinate Bonds" and together with the Series A Senior Bonds, the "Series A Bonds"), in the aggregate amount of $_____ (capitalized undefined terms shall have the meanings ascribed thereto in the Original Indenture); and

WHEREAS, the Original Indenture provides that the Authority may at any time issue one or more Series of Additional Bonds (in addition to the Series A Bonds) secured by a pledge of, and payable from, an Additional Pool of Additional Notes separate and distinct from all other Pools constituted under the Indenture and consisting of a Series of Additional Notes that have not been assigned to any other Pool of Notes, but subject to the conditions specified therein, which are conditions precedent to the issuance of such Additional Bonds; and

WHEREAS, the Districts named in Schedule I hereto (the "Series __ Districts") have determined to issue a Series of Additional Notes, all having the same maturity date and in the respective principal amounts set forth in Schedule I hereto (the "Series __ Notes"), and sell Series __ Notes to the Authority and participate in the Program; and

WHEREAS, each Series __ District has acknowledged the pooling of its Series __ Note with the Series __ Notes issued by other Series __ Districts participating in the Program and the assignment by the Authority of such Series __ Notes to the Trustee to secure payment of the Series __ Bonds issued under this _____ Supplemental Indenture; and

WHEREAS, each Series __ District has entered into a purchase agreement with the Authority whereby the Authority has agreed to purchase such District's Series __ Note and in connection therewith issue the Series __ Bonds; and

WHEREAS, each Series __ District has acknowledged that the Authority will enter into this _____ Supplemental Indenture and will issue the Series __ Bonds pursuant to the terms of this _____ Supplemental Indenture; and

WHEREAS, pursuant to the Program and the Indenture, the Authority has assigned its interest in the Series __ Notes to the Trustee; and

WHEREAS, the Trustee, pursuant to the terms hereof, accepts the assignment of the Series __ Notes, and all duties, obligations and trusts of the Trustee established in this _____ Supplemental Indenture (together with the duties, obligations and trusts established in the Original Indenture); and

WHEREAS, the Original Indenture provides that the Original Indenture may be amended or supplemented at any time without the prior written consent of any Credit Provider, any Supplemental Credit Enhancer, any Subordinate Credit Provider or any Bond Owners, for the purpose of issuing and securing one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of the Indenture; and

WHEREAS, in order to provide for the issuance of the Series __ Bonds, and to provide the terms and conditions under which the Series __ Bonds may be issued, the Authority desires to enter into this _____ Supplemental Indenture with the Trustee; and

WHEREAS, the Authority has determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this _____ Supplemental Indenture and delivery of the Series __ Bonds do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this _____ Supplemental Indenture;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE XIII

SERIES __ BONDS

Section 13.01.Definitions. Unless the context otherwise requires, the terms defined in this Section shall have the meanings herein specified, which are in addition to those terms defined in the Original Indenture.

"_____ Supplemental Indenture" means this _____ Supplemental Indenture, dated as of _____, 20__, by and between the Authority and the Trustee, as originally executed and entered into and as it may from time to time be amended or supplemented in accordance herewith.

"Series __ Bonds" means the $_____ California School Cash Reserve Program Authority 2020-2021 Bonds, Series __ authorized by, and at any time Outstanding pursuant to, the Indenture.

"Series __ Continuing Disclosure Agreement" means that certain Continuing Disclosure Agreement by and between the Authority and the Dissemination Agent, dated the date of issuance

and delivery of the Series __ Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Series __ Costs of Issuance Account" means the account by that name established in Section 3.02 and Section 13.05.

"Series __ Interest Payment Date" means each date on which interest on the Series _ Bonds and the corresponding Series _ Notes becomes due and payable, being _____, 20__.

"Series __ Investment Agreement" means that certain Investment Agreement, if any, identified in Requests of Series _ Districts requesting the investment of their Payment Accounts and Proceeds Subaccounts relating to the Series _ Notes and meeting the requirements of a substitute Investment Agreement contained in clause (5) of the definition of Permitted Investments herein, relating to the Series _ Notes assigned to the Series _ Pool securing the Series _ Bonds pursuant to which net proceeds of a portion of the Series _ Bonds are to be invested, as executed and delivered by the Trustee on behalf of each of the applicable Districts.

"Series __ Notes" means the tax and revenue anticipation notes issued by the Districts in the respective Series and aggregate principal amounts thereof, as described in Schedule I hereto and assigned to the Series __ Pool securing the Series __ Bonds.

"Series __ Pledged Accounts" means, with respect to the Series __ Bonds, the Series __ Costs of Issuance Account, the Proceeds Subaccounts for each Series of Notes assigned to the Series __ Pool, the Payment Accounts for each Series of Notes assigned to the Series __ Pool, the Series __ Senior Interest Account and the Series __ Senior Principal Account.

"Series __ Pool" means the pool composed of Series __ Notes assigned to and securing the payment of the Series __ Bonds.

"Series __ Principal Payment Date" means the date on which the principal of the Series __ Bonds and the corresponding Series __ Notes becomes due and payable, being _____, 20__.

"Series __ Senior Interest Account" means the account by that name established in Section 3.02 and Section 13.05.

"Series __ Senior Principal Account" means the account by that name established in Section 3.02 and Section 13.05.

Section 13.02. Authorization and Terms of Series __ Bonds. (a) A Series of Additional Senior Bonds (the "Series __ Bonds") to be issued under the Indenture is hereby created. Said Series of Additional Senior Bonds are designated as the "California School Cash Reserve Program Authority 2020-2021 Bonds, Series __." The aggregate principal amount of Series __ Bonds which may be issued and outstanding under this Indenture shall not exceed _____ dollars ($_____), exclusive of Series __ Bonds executed and authenticated as provided in Section 2.09. The Trustee is hereby authorized and directed to authenticate the Series __ Bonds in the aggregate principal amount of _____ dollars ($_____). The Series __ Bonds shall be initially delivered in the form of one Series

__ Bond for the full principal amount thereof and shall be registered in the name of "Cede & Co.," as nominee of DTC.

(b) Each Series __ Bond shall mature on the Series __ Principal Payment Date, shall bear interest at the rate of _____ percent (____%), payable on each Series __ Interest Payment Date, and have the principal thereof payable on the Series __ Principal Payment Date, upon surrender of the Series __ Bond by the Owner thereof, at the Principal Office of the Trustee.

The interest payable on the Series __ Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

The Series __ Bonds shall not be subject to prepayment or redemption prior to the Series __ Pool Principal Payment Date.

Section 13.03.Form of Series __ Bonds. The Series __ Bonds and the form of assignment to appear thereon shall be in substantially the forms set forth in Exhibit A-1 to the Original Indenture, with appropriate or necessary insertions, omissions and variations as permitted or required thereby or hereby. The Series __ Bonds may be prepared in typewritten, lithographed or printed form.

Section 13.04.Delivery of Series __ Bonds. The Trustee is hereby authorized to authenticate and deliver the Series __ Bonds to the Purchaser pursuant to the Senior Purchase Contract applicable to the Series __ Bonds upon receipt of a written request of the Authority, the Series __ Notes comprising the Series __ Pool securing the Series __ Bonds and the proceeds of sale of the Series __ Bonds.

Section 13.05.Establishment of Accounts; Deposit of Proceeds of Series __ Bonds. (a) The Trustee hereby agrees to establish and maintain hereunder, in trust, the following accounts:

(1) within the Costs of Issuance Fund, the Series __ Costs of Issuance Account;

(2) within the Proceeds Fund, a separate Proceeds Subaccount for each Series __ Note assigned to the Series __ Pool;

(3) within the Bond Payment Fund, a separate Payment Account for each Series __ Note assigned to the Series __ Pool;

(4) within the Pool Interest Fund, the Series __ Senior Interest Account; and

(5) within the Pool Principal Fund, the Series __ Senior Principal Account.

(b) The proceeds received from the sale of the Series __ Bonds are to be deposited in the following funds in the following amounts:

Costs of Issuance Fund (in the Series __ Costs of Issuance Account)	$_____
Proceeds Fund (with deposits to Proceeds Subaccounts attributable to the Series __ Notes assigned to secure the Series __ Bonds in the amounts set forth in Schedule II hereto)	$_____

Section 13.06.Use of Money in the Series ___ Costs of Issuance Account. (a) The moneys in Series __ Costs of Issuance Account in the Costs of Issuance Fund shall be used and withdrawn by the Trustee, to pay the Costs of Issuance of the Series __ Bonds upon receipt of (i) a Request of the Authority, which shall be sequentially numbered, stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said account, and (ii) an original invoice or invoices submitted by the Financial Advisor or evidence of the Financial Advisor's payment of an invoice submitted by the Financial Advisor when such payment is in reimbursement thereof.

(b) On _____, 20__, or on such earlier date set forth in a Request of the Authority, amounts, if any, remaining in the Series __ Costs of Issuance Account and not required to pay identified Costs of Issuance for the Series __ Bonds specified in writing by the Financial Advisor to the Trustee shall be transferred to the Bond Payment Fund and credited to the Payment Accounts therein attributable to the Series __ Notes assigned to secure the Series __ Bonds, in proportion to the amounts initially deposited in the Series __ Costs of Issuance Account from proceeds of the Series __ Bonds attributable to each District, as set forth in a certificate of the Financial Advisor submitted to the Trustee.

Section 13.07.Disbursement of Moneys in Proceeds Subaccounts. With respect to the Series __ Bonds, Section 3.03(b)(2) of the Original Indenture is hereby amended to read in full as set follows:

> (2) With respect to the Proceeds Subaccounts for each Series __ Note, moneys in each such Proceeds Subaccount shall be disbursed from time to time by the Trustee to the District that issued the related Series __ Note up to, but excluding, (i) the first day of the last Repayment Period applicable to such Series __ Note (Repayment Period as defined in such District's Note Resolution and the first Repayment Period as indicated on the face of such District's respective Series __ Note), or (ii) if only one Repayment Period is applicable to such Series __ Note, the first day of such Repayment Period, as soon as practical, pursuant to a Requisition of the District in substantially the form set forth as Exhibit B hereto, submitted in advance of the requested disbursement date (by facsimile, hand delivery or mail), as required to comply with the disbursement provisions of the applicable Investment Agreement or other Permitted Investments, as applicable, for any purpose for which the District is authorized to use and expend moneys; provided, however, that the Trustee shall not disburse any moneys from a Proceeds

Subaccount related to a Series __ Note that is invested under the Investment Agreement if it has received written notice or actual knowledge that the District intends to invest such moneys in Permitted Investments other than the Investment Agreement, or if it has received written notice or actual knowledge that an Event of Default has occurred and is continuing as defined in the Note Resolution of the District that issued such Series __ Note, or if the Trustee has received written notification from the Financial Advisor that such District's financial certification for purposes of California Education Code Section 42133 has been downgraded from the certification held by the District on the date the Series __ Bonds were issued, except that, if such District provides a certification from the county superintendent or State Superintendent of Public Instruction, as applicable, that repayment of such District's Series __ Note and any other Notes is probable, moneys may be disbursed if the downgrade is to a qualified certification. In addition, with respect to a District that has issued several Series of Notes, the Trustee shall not disburse any moneys from any Proceeds Subaccounts related to such District if it has received written notice or actual knowledge that an Event of Default has occurred and is continuing under any Note Resolution or supplemental Note Resolution, if any, of such District.

Section 13.08.Assignment of Series Notes; Series Pledge Accounts. (a) The Series __ Pool shall be composed of the Series __ Notes. As provided in Section 5.01, subject to the provisions of the Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth in the Indenture, including the provisions of Section 5.01(c), (i) all right, title and interest of the Authority in the Series __ Notes and to all payments thereon, are hereby irrevocably assigned and pledged and transferred to the Trustee for the benefit of the Owners of the Series __ Bonds, (ii) the payments on the Series __ Notes shall be used for the punctual payment of the interest on and principal of the Series __ Bonds, and (iii) each of the Series __ Notes shall not be used for any other purpose (including the payment of Bonds of a different Series or reimbursements to the Supplemental Credit Enhancer, Credit Provider or Subordinate Credit Provider, as applicable, relating to a different Series of Bonds) so long as any of the Series __ Bonds remain Outstanding. Subject to Section 5.01(c), and to the extent permitted by law, the assignment, transfer and pledge effected by Section 5.01 and this Section shall constitute a lien on and security interest in the principal and interest payments of and all other rights under the Series __ Notes for the foregoing purpose in accordance with Section 1.03 and the terms of the Indenture and shall attach, be perfected and be valid and binding from and after delivery to the Authority of the Series __ Notes and as applicable, without any physical delivery thereof, notice, filing or further act. Each District has approved, and the Trustee hereby accepts, such assignment of the Series __ Notes, as and when issued.

(b) As provided in Section 1.03, subject to the provisions of the Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth in this Indenture, including the provisions of Section 5.01(c), there are hereby pledged for the payment of the principal of and interest on the Series __ Bonds in accordance with their terms and the provisions of the Indenture, and the Trustee, as trustee on behalf of the Owners, is hereby granted an express lien on, the proceeds of the Series __ Bonds, all moneys on deposit in the Series __ Pledged Accounts (other than in the Rebate Fund) credited by or pursuant to the Indenture, including the investments thereof (if any) other than investments which are to be deposited into

the Rebate Fund, the rights and interest of the Authority in and to the payments of principal of and interest on the respective Series __ Notes assigned to the Series __ Pool, the documents evidencing and securing the same, the Note Resolutions to the extent relating to the Series __ Notes and the collections received therefrom by the Authority or the Trustee on its behalf, and any and all other property of any kind from time to time hereafter pledged as additional security for the Series __ Bonds under the Indenture by a Supplemental Indenture, by delivery or by writing of any kind of the Authority or by any person on its behalf. The pledge and lien of Section 1.03 and this Section is created and established to secure the payment of the principal of and interest on the Series __ Bonds in accordance with the terms and the provisions of the Indenture.

Section 13.09.Investments. Any money held by the Trustee in each Payment Account attributable to the Series __ Bonds and each Proceeds Subaccount attributable to the Series __ Bonds shall, to the fullest extent practicable, be invested under the Series __ Investment Agreement and otherwise may be invested (and, upon the Request or Requisition of any Series __ District, shall be invested with respect to its corresponding Payment Account or Proceeds Subaccount, as directed by such Series __ District) by the Trustee in Permitted Investments which will mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. To the extent the Trustee has not received any instruction with respect to the investment of funds in a Payment Account attributable to the Series __ Bonds or a Proceeds Subaccount attributable to the Series __ Bonds, such amounts shall be invested by the Trustee in a money market fund offered by the Trustee or any of its affiliates meeting the requirements set forth in clause (4) of the definition of Permitted Investments herein.

Section 13.10.Continuing Disclosure. (a) The Authority hereby covenants and agrees that it will comply with any carry out all of the provisions of the Series __ Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Authority or the Dissemination Agent to comply with the Series __ Continuing Disclosure Agreement shall not be considered an Event of Default; however, at the request of any Participating Underwriter (as defined in the Series __ Continuing Disclosure Agreement) or the Owner of at least 25% aggregate principal amount of Outstanding Series __ Bonds, shall) or any Series __ Bond Owner or Beneficial Owner, the Trustee shall take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series __ Bonds (including persons holding Series __ Bonds through nominees, depositories or other intermediaries).

(b) The Trustee shall notify the Authority, in writing, upon the occurrence of any of the Listed Events (as defined in the Series __ Continuing Disclosure Agreement), of which it has actual knowledge. The Trustee shall not be responsible to determine the materiality of any Listed Event. For purposes of this Section, "actual knowledge" by the Trustee shall mean actual knowledge at its Principal Corporate Trust Office by the officer or officers of the Trustee for the administration of the Indenture.

Section 13.11. Effect of Supplemental Indenture. Except as in this _____ Supplemental Indenture expressly provided, every term and condition contained in the Indenture as originally executed and delivered as of _____, 20__, shall apply to the _____ Supplemental

Indenture and to the Series __ Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to the _____ Supplemental Indenture. The _____ Supplemental Indenture and all the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture as originally executed and delivered as of _____, 20__. The Indenture is confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby. The Trustee is entering into this _____ Supplemental Indenture solely in its capacity as Trustee under the Indenture. The Trustee hereby accepts the assignment of the Series __ Notes, and all duties, obligations and trusts of the Trustee established in the Indenture.

Section 13.12.Effective Date of _____ Supplemental Indenture. The _____ Supplemental Indenture shall take effect upon its execution and delivery.

Section 13.13.Execution in Counterparts. The _____ Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority has caused this _____ Supplemental Indenture to be signed in its name by its Chair, or by such other person as has been designated by its governing board, and U.S. Bank National Association, as Trustee, to evidence its acceptance of the trust hereby created, has caused this _____ Supplemental Indenture to be signed in the name of the Trustee by an authorized officer of the Trustee, all as of the day and year first above written.

CALIFORNIA SCHOOL CASH RESERVE PROGRAM AUTHORITY

By: _____
Title: Chair

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Title: Vice President

SCHEDULE I

PARTICIPATING DISTRICTS

SERIES __ BONDS

District	Principal Amount	Note Series	Note Priority

SCHEDULE II

INITIAL DEPOSITS TO DISTRICTS'

SERIES __ NOTES

PROCEEDS SUBACCOUNTS

District	Series __ Bonds Proceeds Amount

TRUST AGREEMENT

by and among

U.S. BANK NATIONAL ASSOCIATION

and

**CERTAIN CALIFORNIA SCHOOL DISTRICTS,
COMMUNITY COLLEGE DISTRICTS AND COUNTY BOARDS OF EDUCATION
NAMED HEREIN**

**RELATING TO
CALIFORNIA SCHOOL CASH RESERVE PROGRAM
CERTIFICATES OF PARTICIPATION
(2020-2021 TRANS) SERIES [__]**

Dated as of _____ 1, 20__

TABLE OF CONTENTS

Page

Article I DEFINITIONS; EQUAL SECURITY 3

Section 1.01. Definitions 3
Section 1.02. Equal Security 9

Article II CONDITIONS AND TERMS OF CERTIFICATES 10

Section 2.01. Preparation of Certificates 10
Section 2.02. Denominations, Medium, Method and Place of Payment and Dating of Certificates 10
Section 2.03. Payment Dates of Certificates 10
Section 2.04. Form of Certificates 11
Section 2.05. Execution of Certificates 11
Section 2.06. Transfer and Exchange of Certificates 11
Section 2.07. Certificate Registration Books 11
Section 2.08. Temporary Certificates 11
Section 2.09. Certificates Mutilated, Destroyed, Lost or Stolen 12
Section 2.10. Special Covenants as to Book-Entry Only System 12

Article III PROCEEDS OF CERTIFICATES 14

Section 3.01. Delivery of Certificates 14
Section 3.02. Establishment of Funds and Deposit of Proceeds of Certificates 14
Section 3.03. Use of Money in the Costs of Issuance Fund and the Proceeds Fund 14

Article IV TRUSTEE'S DUTIES REGARDING NOTES 17

Section 4.01. Authenticating Agent 17
Section 4.02. Registrar and Paying Agent 17
Section 4.03. Return of Paid Notes 17

Article V NOTE PAYMENTS 17

Section 5.01. Deposit of Notes 17
Section 5.02. Deposit of Money in the Certificate Payment Fund 18
Section 5.03. Draws under or Payments pursuant to Credit Instrument; Payment of Principal and Interest 19
Section 5.04. Credit Instrument 20
Section 5.05. Provisions Relating to the Credit Provider 21

Article VI COVENANTS 23

Section 6.01. Compliance with Trust Agreement 23
Section 6.02. Amendment of Notes 23
Section 6.03. Observance of Laws and Regulations 23
Section 6.04. Tax Covenants 23
Section 6.05. Liens 24
Section 6.06. Accounting Records and Statements 24
Section 6.07. Recordation and Filing 25

TABLE OF CONTENTS
(continued)

Page

Section 6.08. Further Assurances 25
Section 6.09. Satisfaction of Predefault Obligations 25

Article VII DEFAULT AND LIMITATIONS OF LIABILITY 25

Section 7.01. Action on Default 25
Section 7.02. Other Remedies of the Trustee 26
Section 7.03. Non-Waiver 26
Section 7.04. Application of Funds 26
Section 7.05. Remedies Not Exclusive; Credit Provider's Control of Remedies 27
Section 7.06. Exercise of Remedies; Relative Rights of Credit Provider and Certificate Owners 28
Section 7.07. No Liability by the Authority to the Owners 29
Section 7.08. No Liability by the Districts to the Owners 29
Section 7.09. No Liability by the Trustee to the Owners 29

Article VIII THE TRUSTEE 29

Section 8.01. Employment and Duties of the Trustee 29
Section 8.02. Removal and Resignation of the Trustee 30
Section 8.03. Compensation of the Trustee 31
Section 8.04. Protection of the Trustee 31
Section 8.05. Notices to Rating Agencies 32

Article IX AMENDMENT OF OR SUPPLEMENT TO THE TRUST AGREEMENT 33

Section 9.01. Amendment or Supplement of Trust Agreement 33
Section 9.02. Disqualified Certificates 34
Section 9.03. Procedure for Amendment with Written Consent of the Owners 34
Section 9.04. Endorsement or Replacement of Certificates after Amendment or Supplement 35
Section 9.05. Amendment or Supplement by Mutual Consent 35

Article X DEFEASANCE 35

Section 10.01. Discharge of Certificates and Trust Agreement 35
Section 10.02. Unclaimed Money 36

Article XI MISCELLANEOUS 36

Section 11.01. Benefits of the Trust Agreement Limited to Parties 36
Section 11.02. Successor Deemed Included in All References to Predecessor 37
Section 11.03. Execution of Documents by Owners 37
Section 11.04. Waiver of Personal Liability; Limited Liability of Authority 37
Section 11.05. Acquisition of Certificates by Districts 37
Section 11.06. Content of Certificates 38
Section 11.07. Notice by Mail 38
Section 11.08. Funds 38
Section 11.09. Investments 38

TABLE OF CONTENTS
(continued)

Page

Section 11.10.	Article and Section Headings, Gender and References	39
Section 11.11.	Partial Invalidity	39
Section 11.12.	California Law	40
Section 11.13.	Notices	40
Section 11.14.	Effective Date	41
Section 11.15.	Execution in Counterparts	41
Exhibit A	Form of Certificate of Participation	A-1
Exhibit B	Form Requisition From Proceeds Subaccount	B-1

TRUST AGREEMENT

This Trust Agreement (the "Trust Agreement"), dated as of _____ 1, 20__, by and among U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America (the "Trustee") and the school districts, community college districts and county boards of education named in Schedule I hereto (the "Districts");

W I T N E S S E T H:

WHEREAS, the Districts have determined to simultaneously issue their Tax and Revenue Anticipation Notes, all having the same maturity date and in the respective principal amounts set forth in Schedule I hereto (individually, a "Note" and collectively, the "Notes") and to deposit the Notes with the Trustee and participate in the California School Cash Reserve Program (the "Program"); and

WHEREAS, each District is a participant in the Program; and

WHEREAS, each District participating in the Program desires to have its Note marketed together with the Notes issued by the other Districts participating in the Program in order to achieve a lower net interest cost and lower costs associated with issuing its Note; and

WHEREAS, each District has designated the Trustee to act as its trustee with respect to the funds received by the District from the sale of its Note and with respect to the moneys paid by the District in satisfaction of its Note; and

WHEREAS, each District participating in the Program has entered into a purchase agreement with Piper Sandler & Co. (the "Purchaser"), whereby the Purchaser has agreed to purchase Certificates (described herein) which evidence and represent proportionate and undivided interests in its Note and the Notes issued simultaneously by the other Districts participating in the Program and constituting part of the same Series of Certificates (as defined in this Trust Agreement); and

WHEREAS, each District participating in such Series has authorized and directed the Trustee to execute and deliver on its behalf pursuant to the terms of the Trust Agreement, the Certificates; and

WHEREAS, the Trustee, pursuant hereto accepts the deposits of the Notes by the Districts; and

WHEREAS, in consideration of such deposits and the execution and entering into of the Trust Agreement, the Trustee has agreed to execute and deliver certificates of participation, as more fully described herein (the "Certificates") in an aggregate principal amount equal to the aggregate principal amount of the Notes, each evidencing and representing a proportionate, undivided interest in the Notes; and

WHEREAS, each Note is secured jointly but not severally (with other notes of the same Series) by a letter of credit, policy of insurance or other credit instrument (the "Credit Instrument") issued by the entity designated in Schedule I as the credit provider (the "Credit Provider"), for the accounts of the respective Districts; and

WHEREAS, the issuance of the Notes and the approval of the execution and delivery of the Trust Agreement and the Certificates have been in all respects duly and validly authorized by the governing boards of the Districts pursuant to resolutions duly adopted and, where appropriate, by the governing boards of the counties in which the Districts are located (collectively, the "Note Resolutions"); and

WHEREAS, the Certificates and the form of assignment to be endorsed thereon are to be substantially in the form set forth in Exhibit A hereto (the text of which forms may be printed on the face, or on the back, or partly on the face and partly on the back); and

WHEREAS, the Trustee has accepted the trust created by this Trust Agreement and in evidence thereof has joined in the execution hereof; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of the Trust Agreement and delivery of the Certificates do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into the Trust Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Certificates and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein (provided that the Credit Instrument shall be governed by the respective definitions set forth therein):

"**Authority**" means the California School Cash Reserve Program Authority, duly organized and existing under and by virtue of the laws of the State of California.

"**Authorized District Representative**" means the President or Secretary of the governing board of a District or Superintendent of a District or such other officers of a District designated in Section 4 of the District Note Resolution or any other person at the time designated to act on behalf of such District by written certificate furnished to the Trustee, containing the specimen signature

of such person and signed on behalf of such District by the President or the Secretary of the governing board of a District or Superintendent of such District.

"**Available Moneys**" means any money on deposit in trust with the Trustee (i) which is proceeds of the Notes, (ii) which has been held by the Trustee for at least 124 days during which no petition in bankruptcy under the United States Bankruptcy Code has been filed by or against the District depositing such money, as debtor, and no similar proceeding has been instituted under state insolvency or other laws affecting creditors' rights generally, provided that such amounts will again be deemed Available Money if the petition or proceedings have been dismissed and such dismissal is no longer subject to appeal, (iii) which is proceeds of the investment of any Available Moneys on deposit in trust with the Trustee, (iv) which is proceeds of drawings under or payments pursuant to the Credit Instrument, or (v) which is derived from the proceeds of notes or obligations issued for the purpose of refunding the Notes or from a Person not subject to the United States Bankruptcy Code or similar state laws with avoidable preference provisions, but only if the Trustee receives an Opinion of Counsel that payment of such amount derived from the sources specified in this subsection (v) to the Owners of the Notes would not constitute avoidable preferences under Sections 544 and 547 of the United States Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the United States Bankruptcy Code or similar state laws with avoidable preference provisions by or against the District.

"**Business Day**" means any day except Saturday, Sunday or any day on which banks located in the city in which the designated trust office of the Trustee and the Principal Office of the Credit Provider is located, or in San Francisco, California, Los Angeles, California, or New York, New York, are required or authorized to remain closed.

"**Certificate**" or "**Request**" with respect to a District means an instrument in writing signed on behalf of such District by the Authorized District Representative and with respect to the Financial Advisor means an instrument in writing signed on behalf of the Financial Advisor by an officer of the Financial Advisor.

"**Certificate Payment Fund**" means the fund by that name established in Section 3.02.

"**Certificates**" means the $_____ California School Cash Reserve Program Certificates of Participation (2020-2021 TRANS) Series [__] authorized hereby and at any time Outstanding hereunder that are executed and delivered by the Trustee under and pursuant to Article II.

"**Code**" means the Internal Revenue Code of 1986, as amended, and the regulations issued or applicable thereunder.

"**Costs of Issuance**" means all items of expense directly or indirectly payable by or reimbursable to a District or the Authority and related to the authorization, execution and delivery of the Notes and the related sale of the Certificates, including, but not limited to, the Credit Provider's Credit Instrument fees or premium, as applicable, costs of preparation, reproduction and delivery of documents, filing and recording fees, fees and charges of the Trustee, Trustee counsel fees, bond counsel fees and charges, other legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution, safekeeping and

delivery of the Certificates and any other costs, charges or fees (including any supplemental credit enhancement on any individual Note) in connection with the original execution and delivery of the Certificates and the issuance of the Notes.

"**Costs of Issuance Fund**" means the fund by that name established pursuant to Section 3.02.

"**Credit Agreement**" means the Credit Agreement, if any, identified in Schedule I and dated as of _____ 1, 20__ between the Districts and the Credit Provider as the same may be amended from time to time.

"**Credit Fund**" means the fund of that name established in Section 3.02.

"**Credit Instrument**" means the Credit Instrument identified in Schedule I, dated the date of issuance of the Notes, issued by the Credit Provider in favor of the Trustee, as the same may be amended from time to time

"**Credit Provider**" means the entity identified in Schedule I as provider of the Credit Instrument.

"**Defaulted Note**" means a Note (i) the principal and interest on which has been paid in whole or in part with the proceeds of a drawing or claim under the Credit Instrument applicable thereto which remains not fully reimbursed on the maturity date or (ii) any of the principal of or interest on which is not paid on the Maturity Date.

"**Default Rate**" means the rate of interest per annum payable with respect to the outstanding portion of each Defaulted Note which (i) if the Defaulted Note is paid in whole or in part by an unreimbursed draw or claim under a Credit Instrument is specified in the Credit Agreement, or (ii) if the Defaulted Note is unpaid and no Credit Instrument is applicable thereto, shall equal the Note Rate.

"**Districts**" means the California school districts, community college districts and county boards of education identified in Schedule I hereto and, where appropriate, the counties electing to be the issuers of the Notes for the school districts, community college districts and county boards of education that are not fiscally accountable, and in each case their successors and assigns.

"**DTC**" means The Depository Trust Company, New York, New York.

"**Event of Default**" shall have the meaning ascribed thereto in Section 7.01 hereof and in each Note Resolution.

"Financial Advisor" means Dale Scott & Company and its successors and assigns or such other financial advisory firm appointed by the Authority.

"**Interest Fund**" means the fund by that name established in Section 3.02.

"**Interest Payment Date**" means the dates on which interest evidenced and represented by the Certificates becomes due and payable, being [_____, 20__ and July __, 20__].

"**Investment Agreement**" means the Investment Agreement dated as of _____ 1, 20__, entered into by the Trustee, on behalf of the Districts, and _____, as investment provider, or any substitute therefor meeting the requirements set forth in clause (5) of the definition of Permitted Investments herein, approved in advance by the Credit Provider, and providing for the investment of funds held by the Trustee under the Trust Agreement.

"**Maturity Date**" means the date on which the principal and interest on each Note becomes due and payable, being _____ __, 20__.

"**Moody's**" means Moody's Investors Service, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

"**Note Rate**" means the rate of interest payable on the Note.

"**Note Resolutions**" means the respective resolutions adopted by the governing boards of the Districts and, where applicable (and if a respective county elected to do so), in the case of school districts, community college districts and county boards of education that are not fiscally accountable, the respective resolutions adopted by the county boards of supervisors, in each case authorizing the issuance of the Notes and approving the execution and delivery of this Trust Agreement and the Certificates.

"**Notes**" means the tax and revenue anticipation promissory notes issued by the Districts in the respective principal amounts identified in Schedule I hereto.

"**Opinion of Counsel**" means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed by a majority of the Districts (determined without regard to the principal amount of any District's Note) and satisfactory to and approved by the Trustee (who shall be under no liability by reason of such approval).

"**Outstanding**," when used as of any particular time with reference to Certificates, means (subject to the provisions of Section 9.02) all Certificates except --

(1) Certificates cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Certificates paid or deemed to have been paid within the meaning of Section 10.01; and

(3) Certificates in lieu of or in exchange or substitution for which other Certificates shall have been executed and delivered by the Trustee hereunder.

"**Owner**" means the registered owner of any Outstanding Certificate.

"**Payment Accounts**" means the subaccounts created in the Certificate Payment Fund under Section 3.02.

"**Payment Date**" means each Principal Payment Date and each Interest Payment Date.

"**Permitted Investments**" means any of the following to the extent then permitted by law:

(1) United States of America Treasury bills, notes, bonds or certificates of indebtedness, or obligations of, or obligations guaranteed directly or indirectly as to full and timely payment, by the United States of America or securities or other instruments evidencing ownership interest in such obligations and rated in the highest applicable rating category by the Rating Agency then rating the Certificates or in specified portions of the interest on or principal of such obligations stripped at Treasury level;

(2) Any obligations which are then legal investments for moneys of the Districts under the laws of the State of California; provided, that if such investments are not fully insured by the Federal Deposit Insurance Corporation, such investments shall be, or shall be issued by entities the debt securities of which are, rated in the highest short-term (with regard to any modifiers) or one of the two highest long-term rating categories by Moody's and S&P (or whichever one of them is then rating the Certificates);

(3) Units of a money-market fund portfolio composed solely of obligations guaranteed by the full faith and credit of the United States of America rated in one of the two highest rating categories by Moody's and S&P (or whichever one of them is then rating the Certificates);

(4) Units of a money-market fund portfolio rated in the highest rating category by S&P and Moody's;

(5) The Investment Agreement or, with the consent of the Credit Provider, any substitute therefor (which substitution results in a maintenance of the original rating on the Certificates); provided such agreement is with a financial entity (the "Provider"), or with a financial entity whose obligations are guaranteed or insured by a financial entity (the "Guarantor"), the Provider's or the Guarantor's senior debt or investment contracts or obligations under its investment contracts being rated in one of the two highest long-term rating categories by Moody's and S&P (or whichever one of them is then rating the Certificates) or whose commercial paper rating is in the highest rating category (with regard to any modifiers) of each such rating agencies (or whichever one of them is then rating the Certificates) or is fully collateralized by investments listed in subsection (1) hereof as required by S&P and Moody's (or whichever one of them is then rating the Certificates) to be rated in one of the two highest rating categories;

(6) Any other prudent investment rated in one of the two highest rating categories by Moody's and S&P (or whichever one of them is then rating the Certificates) and approved by the Credit Provider;

(7) The Local Agency Investment Fund managed by the office of the Treasurer of the State of California; or

(8) Any County Treasury of a County in which the District is situated, the proceeds of whose note are to be invested, provided that the investment of such proceeds

by the applicable County Treasurer is made in compliance with California Government Code Section 53601.

"**Predefault Obligations**" means (i) the respective obligations of the respective Districts to the Credit Provider under the Credit Agreement, (ii) all indemnification to the Credit Provider by the respective Districts and (iii) all other amounts due to the Credit Provider by the respective Districts under the Credit Agreement (including interest on overdue Predefault Obligations to the extent permitted by law), in each case becoming due prior to an Event of Default under the respective Note Resolutions.

"**Principal Fund**" means the fund by that name established in Section 3.02.

"**Principal Office of the Credit Provider**" means the principal office of the Credit Provider, which, for the initial Credit Provider, is identified in Schedule I.

"**Principal Office of the Trustee**" means the principal corporate trust office of the Trustee, which, for the Trustee initially appointed hereunder, is located in Los Angeles, California; provided that for transfer, exchanges, payment and registration of Certificates, "Principal Office of the Trustee" shall mean the corporate trust office of U.S. Bank National Association in Los Angeles, California, or such other office specified by the Trustee.

"**Principal Payment Date**" means the date on which principal evidenced and represented by the Certificates becomes due and payable, being _____ __, 20__.

"**Proceeds Fund**" means the fund by that name established in Section 3.02.

"**Proceeds Subaccounts**" means the Proceeds Subaccounts created in the Proceeds Fund under Section 3.03(b).

"**Program**" means the California School Cash Reserve Program pursuant to which the Certificates are executed and delivered to assist Districts in financing cash flow deficits and construction and capital financings.

"**Purchase Agreement**" means, collectively, those certain Purchase Agreements by and between the respective Districts and the Purchaser relating to the Notes as evidenced and represented by the Certificates.

"**Purchaser**" means Piper Sandler & Co., as underwriter and purchaser of the Certificates evidencing and representing interests in the Notes under and pursuant to the Purchase Agreement.

"**Rating Agency**" means Moody's and S&P or whichever one of them is then rating the Certificates.

"**Reimbursement Obligations**" means (i) the respective obligations of the respective Districts under the Credit Agreement, including, without limitation, obligations evidenced by Defaulted Notes, (ii) all indemnification to the Credit Provider by the respective Districts and (iii) all other amounts at any time due to the Credit Provider by the respective Districts under the Credit Agreement (including any Predefault Obligations and interest on any overdue

Reimbursement Obligations to the extent permitted by law), in each case becoming due as a result of or after an Event of Default under the respective Note Resolutions.

"**Repayment Period**" shall have the meaning ascribed to such term in the Note Resolutions.

"**Representation Letter**" means that certain issuer letter of representations, dated _____, 20__, addressed to DTC, and pertaining to the issuance of Certificates in book-entry form.

"**Secured Percentage**" means an amount (i) equal to 100%, if the size of the Credit Instrument is greater than or equal to the aggregate amount of principal of and interest on unpaid Notes (or unpaid portions thereof) or (ii) equal to the amount of the Credit Instrument divided by the aggregate amount of unpaid principal of and interest on Notes (or portions thereof), expressed as a percentage, if the size of the Credit Instrument is less than the aggregate amount of unpaid principal of and interest on Notes (or unpaid portions thereof) as of the Maturity Date.

"**S&P**" means Standard & Poor's, a division of the McGraw-Hill Companies, Inc., and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

"**Series**" means any individual series of Certificates or Notes, as designated in this Trust Agreement or a Note Resolution, as applicable.

"**Trust Agreement**" means this Trust Agreement executed and entered into as of _____ 1, 20__, by and between the Trustee and the Districts, as originally executed and entered into and as it may from time to time be amended or supplemented in accordance herewith.

"**Trustee**" means U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, at its corporate trust office in Los Angeles, California, or any other bank or trust company at its corporate trust office which may at any time be substituted in its place as Trustee as provided in Section 8.02.

Section 1.02. Equal Security. In consideration of the acceptance of the Certificates by the Owners and the issuance of the Credit Instrument by the Credit Provider as identified on Schedule I, this Trust Agreement shall be deemed to be and shall constitute a contract among the Trustee, the Districts, the Credit Provider and the Owners to secure the full and final payment of the interest and principal evidenced and represented by the Certificates, all Predefault Obligations and all Reimbursement Obligations, subject to the agreements, conditions, covenants and terms contained herein; and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Trustee shall be for the equal and proportionate benefit, protection and security of all Owners without distinction, preference or priority as to benefit, protection or security of any Certificates over any other Certificates by reason of the number or date thereof or the time of execution or delivery thereof or otherwise for any cause whatsoever, and for the benefit of the Credit Provider except as expressly provided herein or therein.

ARTICLE II

CONDITIONS AND TERMS OF CERTIFICATES

Section 2.01. Preparation of Certificates. The Trustee is hereby authorized and directed to prepare the Certificates in the aggregate principal amount of _____ dollars ($_____), evidencing and representing the aggregate principal amount of the Notes and each evidencing and representing a proportionate, undivided interest in the Notes. The Certificates shall be initially delivered in the form of one Certificate for the full principal amount evidenced thereby and shall be registered in the name of "Cede & Co.," as nominee of The Depository Trust Company. The Districts hereby assign to the Trustee their duties as issuer for purposes of the Representation Letter and authorize the Trustee to sign the Representation Letter as their assignee.

Each District participating in the Program is the issuer of its Note which, when combined with the Notes of other Districts participating in the Program and the same Series, shall be evidenced by the Certificates which evidence and represent a proportionate and undivided interest in the Note of each District, such that each District participating in the Program is severally, and not jointly, liable on each such Certificate in the proportion that the face amount of such District's Note bears to the total aggregate face amount of the Notes issued by all Districts participating in the Program. Each District participating in the Program has, pursuant to its Note Resolution, authorized and directed the Trustee on behalf of that District to prepare and execute the Certificates and to deliver the Certificates to the Purchaser upon payment of the purchase price thereof, pursuant to the terms of this Trust Agreement and the Purchase Agreement.

Section 2.02. Denominations, Medium, Method and Place of Payment and Dating of Certificates. The Certificates shall be prepared in the form of fully registered Certificates in denominations of five thousand dollars ($5,000) or any integral multiple thereof. The interest and principal evidenced and represented by the Certificates shall be payable in lawful money of the United States of America. The interest evidenced and represented by the Certificates shall be payable on the Interest Payment Dates, and the principal evidenced and represented by the Certificates shall be payable on the Principal Payment Date upon surrender thereof by the respective Owners thereof at the Principal Office of the Trustee. The Trustee may treat the Owner of any Certificate as the absolute owner of such Certificate for all purposes, whether or not such Certificate shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal evidenced and represented by such Certificate shall be made only to such Owner as above provided, which payments shall be valid and effectual to satisfy and discharge the liability evidenced and represented by such Certificate to the extent of the sum or sums so paid. All Certificates paid pursuant to the provisions of this Section shall be cancelled and destroyed by the Trustee and shall not be redelivered and a certificate of destruction shall be delivered to the Purchaser and Credit Provider.

The Certificates shall be dated the date of initial execution and delivery thereof and shall evidence and represent principal of the Notes and interest accrued thereon from the date of initial issuance of the Notes and execution and delivery of the Certificates hereunder.

Section 2.03. Payment Dates of Certificates. The Certificates shall have the Principal Payment Date of _____ __, 20__ and shall evidence and represent proportionate, undivided

interests in the aggregate principal of the Notes in the amount of $_____, with interest thereon at the rate of _____ percent (_____%) per annum.

The interest evidenced and represented by the Certificates shall become due and payable on the Interest Payment Dates, and shall be in sum the interest payments becoming due and payable on the Notes on the applicable Interest Payment Date. The interest payable on the Notes and evidenced and represented by the Certificates shall be computed on the basis of a 360-day year of twelve 30-day months.

The principal evidenced and represented by the Certificates shall become due and payable on the Principal Payment Date, without option of prepayment and shall be in sum the principal becoming due and payable on the Notes on the Principal Payment Date.

Section 2.04. Form of Certificates. The Certificates and the form of assignment to appear thereon shall be in substantially the forms in Exhibit A hereto, respectively, with appropriate or necessary insertions, omissions and variations as permitted or required thereby or hereby. The Certificates may be prepared in typewritten, lithographed or printed form. The text of the Certificates may appear on the face or on the back, or partly on the face and partly on the back of the Certificate.

Section 2.05. Execution of Certificates. The Certificates shall be executed by the Trustee by the manual signature of an authorized officer of the Trustee.

Section 2.06. Transfer and Exchange of Certificates. Certificates are transferable or exchangeable by the Owner thereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee in the books required to be kept by the Trustee pursuant to the provisions of Section 2.07, upon surrender of such Certificates accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Trustee. Whenever any Certificate or Certificates shall be surrendered for transfer or exchange, the Trustee shall execute and deliver a new Certificate or Certificates of authorized denominations representing the same aggregate principal amount, except that the Trustee shall require the payment by any Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. All Certificates surrendered pursuant to the provisions of this Section shall be cancelled by the Trustee and shall not be redelivered.

Section 2.07. Certificate Registration Books. The Trustee will keep at its Principal Office sufficient books for the registration of the ownership, transfer or exchange of the Certificates, which books shall be available for inspection by the Authority, the Credit Provider, the Districts or any Owner or his agent duly authorized in writing at reasonable hours and under reasonable conditions during regular business hours; and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register the ownership, transfer or exchange of the Certificates in such books as hereinabove provided. The ownership of any Certificates may be proved by the books required to be kept by the Trustee pursuant to the provisions of this Section.

Section 2.08. Temporary Certificates. The Certificates may be initially delivered in temporary form exchangeable for definitive Certificates when ready for delivery, which temporary

Certificates shall be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Trustee, shall be in fully registered form and shall contain such reference to any of the provisions hereof as may be appropriate. Every temporary Certificate shall be executed and delivered by the Trustee upon the same conditions and terms and in substantially the same manner as definitive Certificates. If the Trustee executes and delivers temporary Certificates, it will prepare and execute definitive Certificates without delay, and in that case, upon demand of the Owner of any temporary Certificates, such definitive Certificates shall be exchanged without cost to such Owner for temporary Certificates at the Principal Office of the Trustee upon surrender of such temporary Certificates, and until so exchanged such temporary Certificates shall be entitled to the same benefit, protection and security hereunder as the definitive Certificates executed and delivered hereunder. All temporary Certificates surrendered pursuant to the provisions of this Section shall be cancelled by the Trustee and shall not be redelivered.

Section 2.09. Certificates Mutilated, Destroyed, Lost or Stolen. If any Certificate shall become mutilated, the Trustee shall execute and deliver a new Certificate of like tenor in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated, and every mutilated Certificate so surrendered to the Trustee shall be cancelled by it. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and if such evidence is satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee shall execute and deliver a new Certificate of like tenor and Principal Payment Date in lieu of and in substitution for the destroyed, lost or stolen Certificate. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Certificate executed and delivered by it under this Section and of the expenses which may be incurred by it under this Section. Any replacement Certificate executed and delivered under the provisions of this Section in lieu of and in substitution for any mutilated, destroyed, lost or stolen Certificate shall be equally and proportionately entitled to the benefit, protection and security hereof with all other Certificates executed and delivered hereunder; and the Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and the replacement Certificate shall be treated as one and the same. Notwithstanding any other provisions of this Section, rather than executing and delivering a new Certificate for a mutilated, destroyed, lost or stolen Certificate the Principal Payment Date of which has occurred or is about to occur, the Trustee may make payment of the principal evidenced and represented by such mutilated, destroyed, lost or stolen Certificate directly to the Owner thereof under such regulations as the Trustee may prescribe.

Section 2.10. Special Covenants as to Book-Entry Only System.

(a) Except as otherwise provided in subsections (b) and (c) of this Section 2.10, the Certificates initially executed and delivered hereunder shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), or such other nominee as DTC may request. Payment of the principal and interest represented by each Certificate registered in the name of Cede & Co. shall be made to the account, in the manner and at the address indicated in or pursuant to the Representation Letter delivered to DTC by the Trustee.

(b) The Certificates executed and delivered hereunder shall be in the form of a single authenticated fully registered certificate for the full principal amount evidenced and represented by the Certificates. Upon initial execution of the Certificates, the ownership of all such Certificates shall be registered in the registration records maintained by the Trustee pursuant to Section 2.07 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC may request. The Trustee, the Districts and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Certificates registered in its name for the purposes of payment of the principal and interest represented by such Certificates, selecting the Certificates or portions thereof to be prepaid, giving any notice permitted or required to be given to an Owner under this Trust Agreement, registering the transfer of Certificates, obtaining any consent or other action to be taken by the Owners and for all other purposes whatsoever; and neither the Trustee nor the Districts shall be affected by any notice to the contrary. Neither the Trustee nor the Districts shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Certificates under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or interest represented by such Certificates, (iii) any notice which is permitted or required to be given to the Owners under this Trust Agreement, (iv) the selection by DTC or any Participant of any person to receive payment in the event, if any, of a partial prepayment of the Certificates, or (v) any consent given or other action taken by DTC as Owner. The Trustee shall pay all principal of and premium, if any, and interest represented by the Certificates only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Certificates will be transferable to such new nominee in accordance with subsection (f) of this Section 2.10.

(c) In the event that 20% of the Districts (determined without regard to the principal amount of any District's Note) determine that it is in the best interests of the Districts or the beneficial owners of the Certificates that they be able to obtain certificates, the Trustee shall, upon the written instruction of 20% of the Districts (determined without regard to the principal amount of any District's Note), so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of certificates. In such event, the Certificates will be transferable in accordance with subsection (f) of this Section 2.10. DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving written notice of such discontinuance to the Districts or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Certificates will be transferable in accordance with subsection (f) of this Section 2.10. Whenever DTC requests the Districts or the Trustee to do so, the Trustee and the Districts will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Certificates then Outstanding. In such event, the Certificates will be transferable to such securities depository in accordance with subsection (f) of this Section 2.10, and thereafter, all reference in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Certificates Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal and interest represented by each such Certificate and all notices with respect to each such Certificate shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The Trustee is hereby authorized and requested to execute and deliver the Representation Letter and, in connection with any successor nominee for DTC and any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Trust Agreement.

(f) In the event that any transfer or exchange of Certificates is authorized under subsection (b) or (c) of this Section 2.10, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Certificates to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Section 2.06. In the event certificates are issued to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the Certificates, another securities depository as Owner of all the Certificates, or the nominee of such successor securities depository, the provisions of Sections 2.02, 2.03 and 2.06 shall also apply to, among other things, the registration, exchange and transfer of the Certificates and the method of payment of principal, premium, if any, and interest represented by the Certificates.

ARTICLE III

PROCEEDS OF CERTIFICATES

Section 3.01. Delivery of Certificates. The Trustee is hereby authorized to execute and deliver the Certificates to the Purchaser pursuant to the Purchase Agreement upon receipt of a written request of the Districts, the Notes, the proceeds of sale of the Certificates and the Credit Instrument.

Section 3.02. Establishment of Funds and Deposit of Proceeds of Certificates. The Trustee hereby agrees to establish and maintain hereunder, in trust, the Costs of Issuance Fund, the Proceeds Fund and the Proceeds Subaccounts therein, the Certificate Payment Fund and the Payment Accounts therein, the Interest Fund, the Principal Fund and the Credit Fund. The proceeds received from the sale of the Certificates are to be deposited in the following funds in the following amounts:

Costs of Issuance Fund	$ _____
Proceeds Fund	_____

Section 3.03. Use of Money in the Costs of Issuance Fund and the Proceeds Fund.

(a) The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee, to pay the Costs of Issuance upon receipt of (i) a Request of the Financial Advisor, which shall be sequentially numbered, stating the person to whom payment is to be made, the

amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund and (ii) an original invoice or invoices or evidence of the Financial Advisor's payment of an invoice when such requisition is in reimbursement thereof. On _____ 1, 20__, or on such earlier date upon Request of the Financial Advisor, amounts, if any, remaining in the Costs of Issuance Fund (and not required to pay identified Costs of Issuance, including any additional fees or expenses of the Credit Provider or the Trustee, or any identified Predefault Obligations and Reimbursement Obligations) shall be transferred to the Certificate Payment Fund and credited to the Payment Accounts therein in proportion to the amounts initially deposited in the Costs of Issuance Fund attributable to each District.

(b) All money in the Proceeds Fund shall be held by the Trustee in trust. Funds in the Proceeds Fund shall be credited to subaccounts of that Fund (the "Proceeds Subaccounts"), one of which shall be established for each of the Districts, initially in amounts set forth in Schedule II, attached hereto and made a part hereof, and thereafter pro rata in accordance with the principal amount of the Note issued by each District. Moneys in the Proceeds Subaccount of each District shall be disbursed to that District from time to time to but excluding the [twentieth] day of (i) the next-to-last Repayment Period (Repayment Period as defined in such District's Note Resolution and the next-to-last Repayment Period as indicated on the face of such District's Note), or, (ii) if only one Repayment Period is applicable to such Note, the month preceding such Repayment Period, as soon as practical, pursuant to a Requisition of the District in substantially the form set forth as Exhibit B hereto, submitted in advance of the requested disbursement date (by facsimile, hand delivery or mail), as required to comply with the Investment Agreement or other Permitted Investments, as applicable, for any purpose for which the District is authorized to use and expend moneys; provided, however, that the Trustee shall not disburse any moneys from a Proceeds Subaccount that is invested under the Investment Agreement if it has received written notice or actual knowledge that the District intends to invest such moneys in Permitted Investments other than the Investment Agreement, or if the Trustee has received written notice or actual knowledge that an Event of Default has occurred and is continuing as defined in the Note Resolution of the District that issued the related Note, or if the Trustee has received written notification from the Financial Advisor or the Purchaser that such District's financial certification for purposes of California Education Code Section 42133 has been downgraded from the financial certification held by the District on the date the Certificates were issued, except that, with the consent of the Credit Provider, moneys may be disbursed if the downgrade is to a qualified certification. Payments made by each District with respect to the Note of that District prior to the first day of the first Repayment Period (as defined in such District's Note Resolution and indicated on the face of such District's Note) shall be credited to that District's Proceeds Subaccount (and reinvested under the Investment Agreement if such Proceeds Subaccount is invested under the Investment Agreement) and, except as otherwise specifically provided herein, shall be available for further disbursement to that District from time to time. A District shall not be allowed to deposit into its Proceeds Subaccount an amount that exceeds the amount, if any, of its then unreplenished withdrawals from such Proceeds Subaccount.

There shall be transferred to each District's Payment Account in the Certificate Payment Fund from the Proceeds Subaccount of each such District:

(A) on the [first] day of each Repayment Period of such District designated on the face of each such District's Note up to the next to the last Repayment

Period amounts which, taking into consideration anticipated investment earnings thereon to be received by the Principal Payment Date (as set forth in a Certificate from the Financial Advisor to the Trustee), are equal to the percentages of the principal and interest due on such District's Note at maturity for the corresponding Repayment Period designated on the face of each such District's Note; and

(B) on the [twentieth] day of such District's next-to-last Repayment Period (or, if only one Repayment Period is applicable to such Note, on the [twentieth] day of the month preceding the Repayment Period) an amount equal to the lesser of (i) the principal of and interest on that District's Note less that District's portion of amounts transferred to the District's Payment Account of the Certificate Payment Fund from excess amounts in the Costs of Issuance Fund pursuant to Section 3.03(a) hereof and less (without duplication) any amounts then presently on deposit in such District's Payment Account for payment of such District's Note and (ii) the total amount, if any, remaining in the District's Proceeds Subaccount.

If on the [first] day of such District's first (or single) Repayment Period the amount in such District's Proceeds Subaccount is less than the amount required to be transferred pursuant to clause (A) above, the Trustee shall transfer the entire amount in such District's Proceeds Subaccount to the corresponding Payment Account in the Certificate Payment Fund on such day. Any amounts remaining in a Proceeds Subaccount after the amounts required to be transferred hereunder to the Certificate Payment Fund have been transferred, less the amount of all outstanding Predefault Obligations and Reimbursement Obligations of or allocable to such District, shall be returned to the District on or after the Principal Payment Date. Amounts on deposit in the Proceeds Subaccount of a District may be applied to the payment of Predefault Obligations of or allocable to such District.

[If, as of the [first] Business Day of each month, beginning _____, 20__ for each respective District, the total amount on deposit in such District's Payment Account and Proceeds Subaccount, taking into consideration anticipated earnings (as set forth in a certificate from the Financial Advisor to the Trustee) thereon to the Principal Payment Date (and assuming no future withdrawals will be made from the Proceeds Subaccount), is not at least equal to the amount required to be on deposit in such accounts during such month and all of the District's allocable share of Predefault Obligations applicable to the District, the Trustee shall request, as soon as practical (and shall simultaneously give a copy of such request to the Credit Provider), that such District pay the amount of such deficiency.]

[By the [third] Business Day of each month, beginning _____, 20__, the Trustee will notify the Credit Provider whether the total amount on deposit in such District's Payment Account, taking into consideration anticipated earnings (as set forth in a certificate from the Financial Advisor to the Trustee) thereon to the Principal Payment Date, is at least equal to the amount required to be on deposit in such account during such month.]

[In addition, the Trustee shall generate a report, to be delivered by the Trustee to the Municipal Securities Rulemaking Board by the [fifteenth (15th) day after each date on which the Districts are required to make or cause to be made deposits to a Payment Account hereunder],

beginning _____, 20__, showing (i) the amounts on deposit in each District's Payment Account, and (ii) listing the Districts, if any, to which the second preceding paragraph applies.]

ARTICLE IV

TRUSTEE'S DUTIES REGARDING NOTES

Section 4.01. Authenticating Agent. The Trustee shall be the authenticating agent for the Districts in connection with the issuance of Notes under the Note Resolutions.

Section 4.02. Registrar and Paying Agent. The Trustee shall be the registrar and paying agent for the Notes. As long as any Notes are outstanding under the applicable Note Resolution, each District shall maintain and keep at the Principal Office of the Trustee an office or agency for the payment of principal and interest on the Notes and for the registration and transfer of the Notes.

Section 4.03. Return of Paid Notes. Each Note, when paid in full (including by reimbursement to the Credit Provider as provided in Section 5.03), shall be cancelled by the Trustee and returned to the District that issued such Note.

ARTICLE V

NOTE PAYMENTS

Section 5.01. Deposit of Notes. The Notes as evidenced and represented by the Certificates are hereby irrevocably deposited with and pledged and transferred to the Trustee for the benefit of the Owners of the Certificates and the Credit Provider and the payments on the Notes shall be used for the punctual payment of the interest and principal evidenced and represented by the Certificates or the reimbursement of drawings under or payments made pursuant to the Credit Instrument, and the Notes shall not be used for any other purpose while any of the Certificates remain Outstanding. This deposit, transfer and pledge shall constitute a first and exclusive lien on the principal and interest payments of the Notes for the foregoing purpose in accordance with the terms hereof. The Trustee hereby accepts the deposit of the Notes.

All principal and interest payments on the Notes shall be paid directly by the Districts to the Trustee. All principal and interest payments on the Notes received by the Trustee shall be held in trust by the Trustee under the terms hereof and shall be deposited by it, as and when received, in the appropriate Payment Account within the Certificate Payment Fund, which fund the Trustee hereby agrees to maintain so long as any Certificates are Outstanding, and all money in such fund shall be held in trust by the Trustee for the benefit of the District submitting such money until deposited in the funds specified in Section 5.02, whereupon such money shall be held in trust in such funds by the Trustee for the benefit and security of the Owners and the Credit Provider to the extent provided herein. Pursuant to each District's Note Resolution, each District is required to deposit amounts with the Trustee in the periods identified as such District's Repayment Periods (as defined in such District's Note Resolution and indicated on the face of such District's Note) until the amount on deposit in such District's Payment Account, taking into consideration anticipated investment earnings thereon to be received by the Principal Payment Date (as set forth in a certificate from the Financial Advisor to the Trustee), is equal to the percentages of the

principal and interest due on such District's Note required in each Repayment Period as indicated on the face of such District's Note. If any District fails to make the required deposits, the Trustee shall as soon as practical (but in any event within three Business Days) notify such District and the Credit Provider of such failure. If the Trustee receives Note repayments from a District in excess of the amounts required to pay the principal of and interest due on such District's Note on the Principal Payment Date, such excess amounts shall remain in the appropriate District's Payment Account in the Certificate Payment Fund and shall be transferred to such District following payment of the amount of Certificates evidencing and representing such District's Note and reimbursement of the Credit Provider for drawings under or payments pursuant to the Credit Instrument and payment to such Credit Provider of any Reimbursement Obligations and Predefault Obligations applicable to such District. The Districts, to the extent they have any interest in such fund, hereby pledge, transfer, assign and grant a lien on and a security interest in the Certificate Payment Fund to the Trustee for the benefit of the Owners and the Credit Provider.

Notwithstanding any other provisions of this Trust Agreement, with regard to a District that has issued more than one Series of Notes (as defined in the Note Resolution) in accordance with and pursuant to the Note Resolution, to the extent there is a deficiency with respect to any Series of Notes of such District and to the extent any payment on any Series of Notes of such District is being made from moneys other than the proceeds of a Series of Notes, the Trustee shall take all necessary actions to ensure that all payments received from such District relating to its Note are applied in accordance with the provisions of Sections 8 and 17 of the Note Resolution, each District's Note repayment and the provisions of this Trust Agreement being subject to the provisions of Sections 8 and 17 of the Note Resolution (which provisions are hereby acknowledged and accepted).

Section 5.02. Deposit of Money in the Certificate Payment Fund. The Trustee shall deposit the money contained in the Certificate Payment Fund at the following respective times in the following respective funds in the manner hereinafter provided, each of which funds the Trustee hereby agrees to maintain so long as any Certificates are Outstanding, and the money in each of such funds shall be disbursed only for the purposes and uses hereinafter authorized (subject to Section 5.01 and Section 5.03):

(a) Interest Fund. The Trustee, on each Interest Payment Date, shall deposit in the Interest Fund that amount of money representing the interest becoming due and payable on the Notes on such Interest Payment Date. All money in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest evidenced and represented by the Certificates on the applicable Interest Payment Date.

(b) Principal Fund. The Trustee, on the Principal Payment Date, shall deposit in the Principal Fund that amount of money representing the principal becoming due and payable on the Notes on such Principal Payment Date. All moneys in the Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal evidenced and represented by the Certificates on the Principal Payment Date.

Prior to any such transfers, to the extent moneys in a District's Payment Account are insufficient to pay all of the principal of and interest on such District's Note at maturity or, with regard to a District that has issued more than one Series of Notes (as defined in the Note

Resolution) in accordance with and pursuant to the Note Resolution, to the extent there is a deficiency with respect to any Series of Notes of such District, the money in such District's Payment Account shall be applied in accordance with the provisions of Sections 8 and 17 of the Note Resolution, and the Trustee shall take all necessary actions to ensure that such money is so applied.

Moneys in any District's Payment Account shall not be used in any manner (directly or indirectly) to make up any deficiency in any other District's Payment Account.

Section 5.03. Draws under or Payments pursuant to Credit Instrument; Payment of Principal and Interest. The other provisions of this Article V notwithstanding, the Trustee shall draw upon or request payment under the Credit Instrument, as applicable, by the respective times required therein and in accordance with the respective terms thereof, at such time and in sufficient amounts to make timely payment of the portion of interest and principal evidenced and represented by the Certificates (to the extent covered by such Credit Instrument) when payable hereunder. The Trustee shall draw upon or request payment under the Credit Instrument on each Interest Payment Date and on the Principal Payment Date if the amounts in the Principal Fund and the Interest Fund are insufficient to pay the full amount of the principal and interest evidenced and represented by the Certificates. Except as otherwise explicitly provided in the Credit Instrument, each Certificate shall be paid first from all available money in the Interest Fund and Principal Fund and, to the extent of any deficiency therein, second, from moneys drawn under or paid pursuant to the Credit Instrument up to the maximum amount of the Credit Instrument. To the extent the maximum amount of the Credit Instrument is insufficient therefor, moneys drawn under or paid pursuant to the Credit Instrument shall be used to pay each Note pro rata in accordance with the unpaid principal thereof and interest thereon and shall be applied to pay such interest first and then such principal. Pending application as aforesaid, moneys drawn under or paid pursuant to the Credit Instrument shall be deposited in a special fund designated the "Credit Fund," which shall be maintained by the Trustee and held in trust apart from all other moneys and securities held under this Trust Agreement or otherwise, and over which the Trustee shall have the exclusive and sole right of withdrawal for the exclusive benefit of the Owners of the Notes with respect to which such drawing or payment was made. Moneys in the Credit Fund shall be held in cash or invested in Permitted Investments described in clause (1) of the definition thereof in Section 1.01 hereof which mature not later than the date on which it is estimated that such moneys will be required to pay the Certificates (but in any event maturing in not more than thirty days).

Notwithstanding anything to the contrary contained in this Article, if the Credit Provider honors a drawing or payment request made pursuant to this Section, on the Credit Instrument to pay the fraction (which may be equal to one) of principal of or interest on the respective Note or Notes as evidenced and represented by the Certificates and covered by the Credit Instrument, moneys, if any, on deposit in the Principal Fund and Interest Fund that would have been applied to pay such principal or interest absent this Section and such drawing or payment on the Credit Instrument shall be applied by the Trustee to reimburse the Credit Provider by wire transfer as soon as possible and, in any case, prior to 1:00 p.m., San Francisco time, on the day such drawing or payment request is honored, in the amount of such payment or disbursement by the Credit Provider honoring such drawing or payment request. Any moneys at any time on deposit in a District's Payment Account within the Certificate Payment Fund in excess of the amounts required to be deposited therein on the Interest Payment Dates and the Principal Payment Date pursuant to

Section 5.02 shall be applied by the Trustee to the payment of any of such District's Predefault Obligations specified by the Credit Provider in writing to the Trustee. Any amounts on deposit in the Credit Fund derived from a draw or payment pursuant to the Credit Instrument and remaining following the Maturity Date of the Note shall be promptly remitted by the Trustee to the Credit Provider.

In the event of default by any District in the payment of any of the principal of or interest on its Note on any Interest Payment Date or the date of maturity thereof, upon payment by the Credit Provider of a drawing or payment request under the Credit Instrument with respect to the payment of the principal or interest so covered by the Credit Instrument, the Credit Provider shall be deemed to have purchased the Secured Percentage of such Note, the Credit Provider will succeed and be subrogated to the rights of the Owners of the Certificates with respect to such fraction of that Note, and the Trustee shall hold such Note in the name of the Credit Provider or its nominee for its benefit and also for the benefit of the Owners (to the extent such Note is not covered by the Credit Instrument) in accordance with the provisions of Section 5.05 hereof, the Credit Agreement and the Credit Instrument. Any Note described in the preceding sentence shall be a Defaulted Note and the unpaid portion thereof shall be deemed outstanding and shall not be deemed paid until all amounts due to the Credit Provider thereon and to the Certificate Owners with respect to the unsecured portion thereof have been paid in full, including interest accrued thereon as provided therein and in the Credit Agreement. The interest on the unpaid portion of a Defaulted Note (or the portion thereof with respect to which a Credit Instrument applies for which no reimbursement on a draw or claim has been made) shall be payable at the Default Rate and upon demand and shall be computed on the basis of a 360-day year, actual number of days elapsed; provided that, no interest shall accrue on the portion of a Defaulted Note which is paid with a drawing or payment pursuant to the Credit Instrument to the extent such portion of a Defaulted Note is paid (and reimbursement is made to the Credit Provider with respect to the drawing or payment pursuant to the Credit Instrument by 1:00 p.m., San Francisco time, on the date of such draw or payment). Upon payment in full of a Note, and reimbursement to the Credit Provider with respect to the drawing under or payment pursuant to the Credit Instrument with respect to such Note and payment of all Predefault Obligations and Reimbursement Obligations due and owing such Credit Provider, from amounts available in the Principal Fund or Interest Fund or otherwise, the Trustee shall, with the consent of the Credit Provider, cancel such Note and surrender it to the District that issued it. Each Note shall be deemed outstanding and shall not be cancelled by the Trustee until (i) the Owners of the Certificates have been paid in full with respect to such Note; and (ii) the Credit Provider has been so reimbursed for the drawing or payment made under the Credit Instrument with respect to such Note and all Predefault Obligations and Reimbursement Obligations due and owing such Credit Provider have been paid.

Section 5.04. Credit Instrument. The Districts, as identified in Schedule I, shall cause to be delivered to the Trustee the Credit Instrument on or prior to the date of delivery of the Certificates. The Trustee shall hold and maintain the Credit Instrument for the benefit of the Owners until the Credit Instrument terminates in accordance with its terms. The Trustee shall diligently enforce all terms, covenants and conditions of the Credit Instrument, including payment when due of any draws on or claims under the Credit Instrument, as applicable, and will not consent to or agree to or permit any amendments or modifications thereof which would materially adversely affect the rights or security of the Owners. If at any time during the term of the Credit Instrument any successor Trustee shall be appointed and qualified under this Trust Agreement, the

resigning or removed Trustee shall request that the Credit Provider transfer the Credit Instrument to the successor Trustee. If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment. Subject to prior defeasance of the Certificates pursuant to Article X, upon the honoring by the Credit Provider of the final drawing or payments under the Credit Instrument on the Principal Payment Date, the Trustee shall as soon as practical, within ten days surrender the Credit Instrument to the Credit Provider for cancellation by the Credit Provider.

The Credit Instrument is being deposited with the Trustee as the beneficiary for the accounts of the applicable Districts for which it acts as Trustee, and the Trustee has no intention to sell or distribute the Credit Instrument.

The Trustee may accept, hold and draw upon any Credit Instrument issued by itself or by any of its corporate affiliates to provide security and a source of payment for the Certificates. The Trustee covenants that it shall at all times maintain adequate controls to manage any potential conflict of interest. Notwithstanding any other provision herein to the contrary, while the Credit Provider issuing the Credit Instrument is the Trustee or an affiliate of the Trustee and such Credit Provider has not failed to comply with its payment obligations under the Credit Instrument, the Trustee shall have no discretion with respect to the exercise of remedies upon an Event of Default with respect to any Note or Notes secured by the Credit Instrument and shall do so only upon the written direction of such Credit Provider. The Trustee shall immediately tender its resignation and take prompt steps to have a successor trustee appointed satisfying the requirements of this Trust Agreement if such affiliated Credit Provider shall fail at any time to honor a properly presented draw on the Credit Facility

Section 5.05. Provisions Relating to the Credit Provider. So long as the Credit Provider shall not be in default under the Credit Instrument, notwithstanding anything to the contrary set forth in this Trust Agreement, the provisions of this Section shall govern:

(1) Amendments. Any provision of this Trust Agreement expressly recognizing or granting rights in or to the Credit Provider may not be amended in any manner which affects the rights of the Credit Provider hereunder without the prior written consent of the Credit Provider. The Credit Provider reserves the right to charge the Trustee a fee (to be reimbursed by the Districts under Section 8.03 hereof) for any consent or amendment to this Trust Agreement while the Credit Instrument is outstanding.

(2) Consent of Credit Provider in the Event of Insolvency. Any reorganization or liquidation plan with respect to a District must be acceptable to the Credit Provider. In the event of any such reorganization or liquidation of a District, the Credit Provider shall have the right to vote on behalf of all Owners who hold Notes supported by the Credit Provider under the Credit Instrument.

(3) Notices. In addition to the notices and information to be provided to the Credit Provider under other sections of this Trust Agreement and each District's Note Resolution (including, without limitation, pursuant to Section 19 of each District's Note Resolution), the following information shall be delivered at the Districts' expense to the attention of _____ of the Credit Provider, unless otherwise indicated:

(a) a copy of any notice to be given to the registered Owners of the Certificates, including, without limitation, notice of any redemption or defeasance of Certificates, and any certificate rendered pursuant to this Trust Agreement relating to the security for the Certificates.

(b) any notices delivered pursuant to the continuing disclosure undertaking in Section 18 of each District's Note Resolution shall also be delivered to the Credit Provider by the Trustee as dissemination agent.

The following notices shall be sent to the attention of the _____ of the Credit Provider, with a copy to the General Counsel's Office of the Credit Provider:

(c) the Trustee shall notify the Credit Provider of any failure of any District to provide relevant notices, certificates, etc.; and

(d) notwithstanding any other provision of this Trust Agreement, the Trustee shall immediately notify the Credit Provider if at any time there is insufficient money to make any payments of principal of and/or interest on the Notes as required and immediately upon the occurrence of any Event of Default hereunder.

The Trustee or the Districts, as appropriate, will permit the Credit Provider to have access to and to make copies of all books and records relating to the Notes and the Certificates at any reasonable time. Upon the occurrence of an Event of Default with respect to any District, such District will permit the Credit Provider to discuss the affairs, finances and accounts of such District or any information the Credit Provider may reasonably request regarding the security for the Notes and the Certificates with appropriate officers of such District.

The Credit Provider shall have the right to direct the Trustee to perform an accounting at the Trustee's expense (to be reimbursed by the Districts under Section 8.03 hereof), and the Trustee's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Credit Provider shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered Owner of the Certificates.

(4) Trustee-Related Provisions.

(a) The Trustee shall provide the Credit Provider prior written notice of any Trustee (or paying agent) resignation.

(b) Notwithstanding any other provision of this Trust Agreement, in determining whether the rights of the Owners will be adversely affected by any action taken pursuant to the terms and provisions of this Trust Agreement, the Trustee (or paying agent) shall consider the effect on the Owners as if there were no Credit Instrument.

(5) The Credit Provider As Third-Party Beneficiary. To the extent that this Trust Agreement confers upon or gives or grants to the Credit Provider any right, remedy or claim under or by reason of this Trust Agreement, the Credit Provider is hereby explicitly recognized as being

a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

ARTICLE VI

COVENANTS

Section 6.01. Compliance with Trust Agreement. The Trustee will not execute or deliver any Certificates in any manner other than in accordance with the provisions hereof; and the Districts will not suffer or permit any default to occur hereunder, but will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by them.

Section 6.02. Amendment of Notes. The Districts and the Trustee will not amend or permit the amendment of the Notes without the prior written consent of the Credit Provider and without (a)(1) a determination that such amendment does not materially adversely affect the interest of the Owners or (2) the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, and (b) an Opinion of Counsel to the effect that such amendment will not cause interest on the Notes to be includable in gross income for federal income tax purposes; provided that no such amendment shall reduce the rate of interest or amount of principal or extend the time of payment thereof with respect to any Note.

Section 6.03. Observance of Laws and Regulations. The Districts will faithfully observe and perform all lawful and valid obligations or regulations now or hereafter imposed on them by contract, or prescribed by any state or national law, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such observance or performance is material to the transactions contemplated hereby.

Section 6.04. Tax Covenants. (a) The Districts will not take any action or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Notes, as evidenced and represented by the Certificates, under Section 103 of the Code. The Districts will not directly or indirectly use or permit the use of any proceeds of the Certificates or the obligations which they evidence and represent or any other funds held hereunder or take or omit to take any action that would cause the Certificates or the obligation which they represent to be "private activity bonds" within the meaning of Section 141(a) of the Code or obligations which are "federally guaranteed" within the meaning of Section 149(b) of the Code.

(b) The Districts will not directly or indirectly use or permit the use of any proceeds of the Certificates or the obligation which they represent or any other funds held hereunder or take or omit to take any action that would cause the Certificates or the obligations which they evidence and represent to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the Districts have covenanted to comply with all requirements of Section 148 of the Code to the extent applicable to the Notes. In the event that at any time any District is of the opinion (which opinion may be based on an Opinion of Counsel), that for purposes of this

Section 6.04(b) it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Trust Agreement with respect to such District, such District shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Six months from the date of issuance of the Notes, the Trustee shall request and use its best efforts to obtain certificates from the Districts, if any (identified to the Trustee in a Certificate of the Financial Advisor), that issued Notes in anticipation of complying with the requirements of Section 148(f)(4)(B) of the Code as to the principal amount of their respective Notes in relation to their cash flow deficit (treating amounts held in a reasonable working capital reserve as unavailable) and, if the latter is not at least equal to 100% of the former, obtain and follow the instructions contained in an Opinion of Counsel as to the determination of the amount to be rebated to the United States of America or other appropriate action stipulated in such Opinion of Counsel, provided that the Trustee shall not pay or set aside for payment, out of any moneys held by the Trustee hereunder in the Proceeds Fund or Certificate Payment Fund, any amounts determined by any person to be subject to rebate for a particular District unless and until the Trustee has paid (i) to the Credit Provider all available money held hereunder applicable to such District to reimburse the Credit Provider for drawings or payments under the Credit Instrument and pay the Defaulted Note and Reimbursement Obligations owing to the Credit Provider applicable to such District on and after the Principal Payment Date, and (ii) to the Certificate Owners all available money held hereunder applicable to such District to pay any due but unpaid principal or interest with respect to any unsecured portion of such District's Note.

Section 6.05. Liens. So long as any Certificates are Outstanding, or any Predefault Obligation or Reimbursement Obligation is outstanding, the Districts will not create or suffer to be created any pledge of or lien on the Notes other than the pledge and lien hereof.

Section 6.06. Accounting Records and Statements. The Trustee shall keep proper books of record and account in accordance with trust accounting standards in which complete and correct entries shall be made of all transactions relating to the receipt, investment, disbursement, allocation and application of the Note repayments and the proceeds of the Certificates or the obligations which they represent. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Trustee is to be allocated and shall set forth, in the case of each investment, (a) its purchase price, (b) identifying information, including par amount, coupon rate, and payment dates, (c) the amount received at maturity or its sale price, as the case may be, (d) the amounts and dates of any payments made with respect thereto, and (e) such documentation as is required to be obtained as evidence to establish that all investments have been purchased in arms'-length transactions with no amounts paid to reduce the yield on the investments.

Such records shall be open to inspection by the Credit Provider and any District at any reasonable time during regular business hours on reasonable notice. Not later than the Principal Payment Date and upon retirement of all Certificates, the Trustee will furnish to the Credit Provider, to the Districts and to any Owner who may so request (at the expense of such Owner) a complete statement (which may be its regular account statements) covering the receipts, deposits and disbursements of the funds hereunder.

Section 6.07. Recordation and Filing. The Districts will file, record, register, renew, refile and rerecord all such documents, including financing statements (or continuation statements in connection therewith), as may be identified to it by the Purchaser, the Financial Advisor or the Credit Provider as being required by law in order to maintain at all times a security interest in the Notes under and pursuant to this Trust Agreement, all in such manner, at such times and in such places as may be required in order to fully perfect, preserve and protect the benefit, protection and security of the Owners and the Credit Provider and the rights of the Trustee hereunder, and the Districts will do whatever else may be necessary or be reasonably required in order to perfect and continue the pledge of and lien on the Notes as provided herein.

Section 6.08. Further Assurances. Whenever and so often as requested to do so by the Trustee, the Credit Provider or any Owner, the Districts will promptly execute and deliver, or cause to be executed and delivered, all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee, the Credit Provider and the Owners the benefit, protection and security conferred, or intended to be conferred, upon them hereby.

Section 6.09. Satisfaction of Predefault Obligations. In accordance with any applicable provisions of the Credit Agreement, upon receipt of instructions from any District, resulting from such District's receipt of notice from the Credit Provider, pursuant to applicable provisions of the Credit Agreement, the Trustee shall remit to the Credit Provider (upon receipt of instructions from the applicable District) moneys held by the Trustee and allocable to such liable District which moneys are available under this Trust Agreement for payment of such amounts due to the Credit Provider. However, the amount remitted from such moneys which are allocable to a specific District shall not exceed that District's allocable share of the total amount due to the Credit Provider. If such moneys held by the Trustee are insufficient to pay the District's pro rata share of such Predefault Obligations, the District shall pay the amount of the deficiency to the Trustee for remittance to the Credit Provider. Moneys thus received by the Trustee from the Districts shall be deposited in the Certificate Payment Fund and shall be paid to the Credit Provider by the fifteenth day after delivery by the Credit Provider to the District or Districts of notice that amounts are due to the Credit Provider, pursuant to applicable provisions of the Credit Agreement.

ARTICLE VII

DEFAULT AND LIMITATIONS OF LIABILITY

Section 7.01. Action on Default. If any default in the payment of principal of or interest on a Note or any other "Event of Default" defined in a Note Resolution shall occur and be continuing, then such default shall constitute an "Event of Default" hereunder, and in each and every such case during the continuance of such Event of Default the Trustee or the Owners of not less than a majority in aggregate principal amount evidenced and represented by the Certificates at the time Outstanding shall be entitled, upon notice in writing to such District, to exercise the remedies provided to the owner of the Note then in default or under the Note Resolution pursuant to which it was issued; provided, that nothing contained herein shall affect or impair the right of action of any Owner to institute suit directly against the District to enforce payment of the obligation evidenced and represented by such Owner's Certificate.

The Owners of Certificates, for purposes of this Trust Agreement and the Note Resolution of each District, to the extent of their interest, shall be treated as owners of the Notes and shall be entitled to all rights and security of the owners of Notes pursuant to each Note and Note Resolution and this Trust Agreement, and shall be treated for all purposes as owners of the Notes. Each District recognizes the rights of the Owners of the Certificates, acting directly or through the Trustee, to enforce the obligations and covenants contained in its Note, its Note Resolution and this Trust Agreement; provided that in no event shall a District be liable for any obligations, covenants or damages except those which arise out of its Note and its Note Resolution, and, in particular, no District shall be liable for any obligations, liabilities, acts or omissions of any other District.

Section 7.02. Other Remedies of the Trustee. The Trustee shall have the right --

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against any District or any trustee, member, officer or employee thereof, and to compel such District or any such trustee, member, officer or employee thereof to observe or perform its or his duties under applicable law and the agreements, conditions, covenants and terms contained herein, or in the applicable Note and Note Resolution, required to be observed or performed by it or him;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(c) by suit in equity upon the happening of any default hereunder to require any District and any trustee, member, officer and employee thereof to account as the trustee of any express trust.

Section 7.03. Non-Waiver. A waiver by the Trustee of any default hereunder or breach of any obligation hereunder shall not affect any subsequent default hereunder or any subsequent breach of an obligation hereunder or impair any rights or remedies on any such subsequent default hereunder or on any such subsequent breach of an obligation hereunder. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default hereunder shall impair any such right or remedy or shall be construed to be a waiver of any such default hereunder or an acquiescence therein, and every right or remedy conferred upon the Trustee by applicable law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee, the Credit Provider, or the Districts, the Trustee, the Credit Provider and the Districts shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Notwithstanding anything to the contrary, no waiver by the Trustee of any default hereunder or breach of any obligation hereunder with respect to any District shall be effective without the prior written consent of the Credit Provider.

Section 7.04. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII shall be deposited into the

segregated Payment Account of the Certificate Payment Fund relating to the defaulting District's Note and be applied by the Trustee after payment of all amounts due and payable under Section 8.03 hereof in the following order upon presentation of the several Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid; provided that (i) all amounts in the Credit Fund shall be applied (without regard to Section 8.03 hereof) solely to payment of the principal and interest evidenced and represented by the Certificates, and (ii) all moneys in the defaulting District's Payment Account in the Certificate Payment Fund allocable to reimbursement of the Credit Provider for drawings or payments under the Credit Instrument shall be applied solely to reimburse such Credit Provider; and provided, further, that the Trustee shall obtain and follow the instructions contained in an Opinion of Counsel and rebate or set aside for rebate from the specified funds held hereunder, subject to the prior payment in full of all amounts applicable to the respective District specified in clause (ii) above, any amount pursuant to such instructions required to be paid to the United States of America under the Code:

First, Costs and Expenses: to the payment of the costs and expenses of the Trustee and of the Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel;

Second, Interest: to the payment to the persons entitled thereto of all payments of interest evidenced and represented by the Certificates then due in the order of the due date of such payments, and, if the amount available shall not be sufficient to pay in full any payment or payments coming due on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

Third, Principal: to the payment to the persons entitled thereto of the unpaid principal evidenced and represented by any Certificates which shall have become due, in the order of their due dates, with interest on the overdue principal and interest represented by the Certificates at a rate equal to the Default Rate and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the Certificates on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

Fourth, Predefault Obligations and Reimbursement Obligations: to the payment of all Predefault Obligations and Reimbursement Obligations applicable to such District.

Section 7.05. Remedies Not Exclusive; Credit Provider's Control of Remedies. No remedy conferred herein upon or reserved herein to the Trustee is intended to be exclusive and all remedies shall be cumulative and each remedy shall be in addition to every other remedy given hereunder or now or hereafter existing under applicable law or equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other applicable law.

Notwithstanding anything to the contrary herein, the Credit Provider, so long as it has not failed to comply with its payment obligations under the Credit Instrument, shall have the right to direct the remedies upon any Event of Default hereunder but only with respect to any Note or Notes secured by the Credit Instrument and only so long as such action will not materially adversely affect the rights of any Certificate Owner and the Credit Provider's prior consent shall

be required to any remedial action proposed to be taken by the Trustee hereunder with respect to such Note or Notes, except that this shall not affect or impair in any way the right of action of any Owner to institute suit directly against a District to enforce payment of the obligation evidenced and represented by such Owner's Certificate, and such District shall be directly obligated to each Owner of the Certificates. The Trustee shall immediately notify DTC (or any successor securities depository) and the Credit Provider of any Event of Default and of the curing of any Event of Default of which the Trustee has actual knowledge.

Section 7.06. Exercise of Remedies; Relative Rights of Credit Provider and Certificate Owners. Upon the exercise by any Owner of its right of action to institute suit directly against a District to enforce payment of the obligation evidenced and represented by such Owner's Certificate, any moneys recovered by such action shall be deposited with the Trustee and applied as provided in Section 7.04 and in this Section 7.06.

The Districts covenant and agree and each Certificate Owner by acceptance thereof likewise covenants and agrees that anything in this Trust Agreement or the Notes or Certificates to the contrary notwithstanding except for the preceding paragraph, the payment of principal and interest in respect of Notes (to which the Credit Instrument applies and for which any draws or payments under the Credit Instrument have not been fully reimbursed to the Credit Provider), as evidenced and represented by Certificates shall be applied pro rata to the Owners of the Certificates in respect to principal or interest evidenced thereby and not theretofor paid and to the Credit Provider. The Credit Provider's entitlement to the pro-rata proportion of payment shall equal the fraction obtained when the amount of its unreimbursed draw or payment is divided by the total amount of fractions of Notes whose interest and/or principal is deemed to be outstanding (without taking into account application of such draw or payment). The Owner's entitlement to the pro-rata proportion of payment shall equal the fraction remaining.

Upon any receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, whether or not pursuant to bankruptcy laws, sale of all or substantially all of the assets, dissolution, liquidation or any other marshaling of the assets and liabilities of any District, no amount shall be paid by such District, in respect of the principal of or interest on such District's Note unless and until the reimbursement to the Credit Provider for drawings or payment under the Credit Instrument not theretofor reimbursed (the "Credit Commitment") has been paid in full.

In the event that, notwithstanding the foregoing, any payment or distribution of any character shall be received by the Trustee or any Owner in contravention of any of the terms hereof such payment or distribution or security shall be received in trust for the benefit of, and shall be paid over or delivered and transferred to, the Credit Provider and the Owners of the Certificates, in accordance with the priorities then existing among such Owners. In the event of the failure of the Trustee or any Owner to endorse or assign any such payment, each is hereby irrevocably authorized to endorse or assign the same.

Credit Commitments shall not be deemed to have been paid in full unless the Credit Provider shall have received the full amount of such Credit Commitments due and owing. Upon the payment in full of all Credit Commitments, the Owners of the Certificates shall be subrogated to all rights of the Credit Provider to receive any further payments or distributions applicable to the Credit Provider until the obligations shall have been paid in full, and such payments received

by such Owners, by reason of such subrogation, of cash which otherwise would be paid or distributed to the Credit Provider shall, as between the District and its creditors other than the Credit Provider, on the one hand, and such Owners, on the other hand, be deemed to be a payment by the District on account of Credit Commitments and not on account of the Owners.

The provisions of this Section 7.06 are solely for the purpose of defining the relative rights of the Credit Provider on the one hand and the Certificate Owners on the other hand, and nothing herein shall impair, as between the District and the Owner of any Certificate, the obligation of the District, which is unconditional and absolute, to pay to the Owner thereof the principal and interest with respect thereto in accordance with its terms, nor shall anything herein prevent the Trustee or the Owner of a Certificate from exercising all remedies otherwise permitted by applicable law or hereunder upon default hereunder and under the Note Resolution.

Section 7.07. No Liability by the Authority to the Owners. Except as expressly provided herein, the Authority shall not have any obligation or liability to the Owners or the Credit Provider with respect to the payment when due of the Notes by the Districts, or with respect to the observance or performance by the Districts of the other agreements, conditions, covenants and terms contained in the Notes and the Note Resolutions, or with respect to the performance by the Trustee of any obligation contained herein required to be performed by it.

Section 7.08. No Liability by the Districts to the Owners. Except for the payment when due of the principal of and interest on the Notes (each of which shall be payable only from moneys available therefor as set forth in Section 8 of the respective Note Resolution) and the observance and performance of the other agreements, conditions, covenants and terms contained in the Notes and the Note Resolutions, the Districts shall not have any obligation or liability to the Owners or the Credit Provider with respect to this Trust Agreement or the preparation, execution, delivery, transfer, exchange or cancellation of the Certificates or the receipt, deposit or disbursement of the principal of and interest on the Notes by the Trustee, or with respect to the performance by the Trustee of any obligation contained herein required to be performed by it.

Notwithstanding anything to the contrary herein or in any Note or document referred to herein, no District shall incur any obligation hereunder except to the extent payable from unencumbered revenues attributable to its 2020-2021 fiscal year, nor shall any District incur any obligation on account of any default, action or omission of any other District.

Section 7.09. No Liability by the Trustee to the Owners. Except as expressly provided herein, the Trustee shall not have any obligation or liability to the Owners or the Credit Provider with respect to the payment when due of the Notes by the Districts, or with respect to the observance or performance by the Districts of the other agreements, conditions, covenants and terms contained in the Notes and the Note Resolutions.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Employment and Duties of the Trustee. The Districts hereby appoint and employ the Trustee to receive, deposit and disburse the payments on the Notes as provided herein,

to prepare, execute, deliver, transfer, exchange and cancel the Certificates as provided herein, to pay the interest and principal evidenced and represented by the Certificates to the Owners thereof as provided herein and to perform the other obligations contained herein, all in the manner provided herein and subject to the conditions and terms hereof. By executing and delivering this Trust Agreement, the Trustee undertakes to perform such obligations (and only such obligations) as are specifically set forth herein, and no implied covenants or obligations shall be read herein against the Trustee.

Prior to an Event of Default, and after all Events of Default have been cured, the Trustee shall only perform the duties specifically set forth in this Trust Agreement, and no implied duties, covenants or obligations shall be read into this Trust Agreement. During the existence of an uncured Event of Default, the Trustee shall exercise such of the rights and powers vested in it herein and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of personal affairs; provided, however, with respect to any Event of Default caused by a District, the Trustee shall only exercise such rights and powers with respect to such District.

The Trustee shall bear no responsibility for the recitals contained in this Trust Agreement. The Trustee makes no representation regarding the security for the Notes or the tax status of the interest thereon.

Section 8.02. Removal and Resignation of the Trustee. A majority of Districts (determined without regard to the principal amount of any District's Note) not then in default under their respective Note Resolutions, with the consent of the Credit Provider, may at any time remove the Trustee initially a party hereto and any successor thereto by giving written notice of such removal to the Trustee and all of the Districts and by giving notice by mail of such removal to all Owners of Certificates and the Credit Provider and the Trustee initially a party hereto, and any successor thereto may at any time resign by giving written notice of such resignation to such Credit Provider and the Districts and by giving notice by mail of such resignation to all Owners of Certificates. The Credit Provider may at any time remove the Trustee initially a party hereto and any successor thereto if (i) the Credit Provider is not in default on its payment obligations under the Credit Instrument and (ii) there are no unpaid Notes deemed outstanding that are not Defaulted Notes held by the Credit Provider. The Credit Provider shall give written notice by mail of such removal to the Trustee, and the Trustee shall give written notice by mail of such removal to all of the Districts and all Owners of Certificates. If such removal is at the request of the Credit Provider, and the Trustee has not been removed due to its willful misconduct or negligence hereunder, the Credit Provider shall reimburse the Districts for any additional costs resulting from such removal. Upon giving any such notice of removal or upon receiving any such notice of removal or resignation, a majority of Districts (determined without regard to the principal amount of any District's Note) shall promptly appoint a successor Trustee acceptable to the Credit Provider by an instrument in writing; provided, that in the event a majority of Districts (determined without regard to the principal amount of any District's Note) do not appoint a successor Trustee within sixty (60) days following the giving of any such notice of removal or the receipt of any such notice of resignation, the removed or resigning Trustee may petition any appropriate court having jurisdiction to appoint a successor Trustee. Any successor Trustee shall be a bank or trust company in good standing, located in or incorporated under the laws of the State of California, duly authorized to exercise trust powers, having a combined capital (exclusive of borrowed capital) and

surplus of at least seventy-five million dollars ($75,000,000) and subject to supervision or examination by a state or national authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any removal, resignation or termination of a Trustee and appointment of a successor Trustee shall become effective only upon the written acceptance of the appointment by the successor Trustee and each Credit Instrument is transferred in accordance with its respective terms.

Section 8.03. Compensation of the Trustee. The Districts, solely from amounts held in the Costs of Issuance Fund or paid by the Districts specifically for such purpose, shall from time to time, subject to any agreement then in effect with the Trustee, pay the Trustee compensation for its services (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and reimburse the Trustee for all its advances and expenditures hereunder, including, but not limited to, advances to and fees and expenses of the provider of the Investment Agreement and its counsel, and of accountants, agents, appraisers, consultants, counsel (including the allocated costs and disbursements of in-house counsel, to the extent such services are not redundant with those provided by outside counsel) or other experts employed by it in the observance and performance of its rights and obligations hereunder; provided, that the Trustee shall not have any lien for such compensation or reimbursement against any money held by it in any of the funds established hereunder, although the Trustee may take whatever legal actions are available to it directly against the Districts to recover such compensation or reimbursement.

Section 8.04. Protection of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding upon any affidavit, bond, certificate, consent, notice, request, requisition, resolution, statement, telegram, voucher, waiver or other paper or document which it shall believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may consult with counsel, who may be counsel to the Districts, with regard to legal questions arising hereunder, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in accordance therewith.

The Trustee shall not be responsible for the sufficiency of the payments on the Notes, or of the assignment made to it of all rights to receive the payments on the Notes and shall not be deemed to have knowledge of any Event of Default unless and until a responsible officer has actual knowledge thereof or has received written notice thereof at its principal corporate trust office in Los Angeles, California. The Trustee shall not be accountable for the use or application by the Districts, or any other party, of any funds which the Trustee properly releases to the Districts or which the Districts may otherwise receive from time to time. The Trustee makes no representation concerning, and has no responsibility for, the validity, genuineness, sufficiency, or performance by parties other than the Trustee of this Trust Agreement, any Certificate, any Note, any Note

Resolution, the Credit Instrument or the Credit Agreement, or of any other paper or document, or for taking any action on them (except as specifically and expressly stated for the Trustee in this Trust Agreement), or with respect to any obligation of the Districts.

Whenever in the observance or performance of its rights and obligations hereunder or under the Certificates the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Financial Advisor, and such Certificate of the Financial Advisor shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee may buy, sell, own, hold and deal in any of the Certificates and may join in any action which any Owner may be entitled to take with like effect as if it were not a party hereto. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Districts, and may act as agent, depositary or trustee for any committee or body of Owners or of owners of obligations of the Districts as freely as if it were not the Trustee hereunder.

The Trustee shall not be liable for the exercise of any of its rights hereunder or for the performance of any of its obligations hereunder or for anything whatsoever in connection with the funds established hereunder, except only for its own willful misconduct or negligence. Absent negligence or willful misconduct, the Trustee shall not be liable for an error of judgment.

No provision hereof shall require the Trustee to expend or risk its own funds or otherwise incur any financial or other liability or risk in the performance of any of its obligations hereunder, or in the exercise of any of its rights hereunder, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it, and before taking any action hereunder (other than drawing on or requesting payment under the Credit Instrument) the Trustee may require that indemnity satisfactory to it be furnished for all expenses to which it may be put and to protect it, its directors, officers, employees and agents from all liability thereunder. The Trustee may execute any of its trusts or other powers or perform its duties through attorneys, agents or receivers.

The Districts will indemnify the Trustee for any liability incurred by the Trustee as a result of the Trustee executing the Representation Letter in the capacity of issuer, as the assignee of the Districts.

Section 8.05. Notices to Rating Agencies. The Trustee shall notify the Rating Agencies, in writing, upon occurrence of any of the following events: (i) any amendment, supplement or other change to this Trust Agreement from the form originally executed and entered into as of _____ 1, 20__; (ii) any amendment, supplement or other change to the Credit Agreement from the form originally executed and entered into as of _____ 1, 20__; (iii) any amendment, supplement or other change to the Credit Instrument from the form executed on the date of issuance of the Notes; (iv) any amendment, supplement or other change to any Note Resolution (that the Trustee is aware of); (v) the termination of the Credit Instrument or the Investment Agreement;

(vi) the occurrence or curing of any Event of Default; (vii) defeasance of the Certificates, the Notes or any portion thereof; and (viii) the tax-exempt status of any Note has been adversely affected, and the Trustee has received specific notice thereof from the Authority, the Purchaser, the Financial Advisor or the applicable District; provided, however, that the Trustee shall incur no liability for failure to so notify.

ARTICLE IX

AMENDMENT OF OR SUPPLEMENT TO THE TRUST AGREEMENT

Section 9.01. Amendment or Supplement of Trust Agreement. This Trust Agreement and the rights and obligations of the Owners and the Trustee hereunder may be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding when the written consents of the Credit Provider and of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 9.02, are filed with the Trustee. No such amendment or supplement shall (1) reduce the rate of interest evidenced and represented by any Certificate or extend any Interest Payment Date or reduce the amount of principal evidenced and represented by any Certificate or extend the Principal Payment Date thereof (it being understood, however, that any such extension shall have no effect on duration of the Credit Instrument) without the prior written consent of the Owner of the Certificate so affected, or (2) reduce the percentage of Owners whose consent is required by the terms of this Trust Agreement for the execution of certain amendments hereof or supplements hereto, or (3) modify any of the rights or obligations of the Trustee without its prior written consent thereto.

This Trust Agreement and the rights and obligations of the Owners and the Trustee hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution with the prior written consent of the Credit Provider, but without the written consents of any Owners, in order to make any modifications or changes to Exhibit B hereto or to make any modifications or changes necessary or appropriate in the Opinion of Counsel to preserve or protect the exclusion from gross income of interest on the Notes for federal income tax purposes, or, but only to the extent that such amendment shall not materially adversely affect the interests of the Owners, for any purpose including, without limitation, one or more of the following purposes --

(a) to add to the agreements, conditions, covenants and terms contained herein required to be observed or performed by the Districts other agreements, conditions, covenants and terms thereafter to be observed or performed by the Districts, or to surrender any right reserved herein to or conferred herein on the Districts;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which any District may deem desirable or necessary; or

(c) to modify, amend or supplement this Trust Agreement or any supplement hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to

permit the qualification of the Certificates for sale under the securities laws of the United States of America or of any of the states of the United States of America and, if twenty percent of the Districts or bond counsel with respect to the Certificates so determine, to add to this Trust Agreement or any supplement hereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or similar federal statute.

Section 9.02. Disqualified Certificates. Certificates held for the account of the Districts (but excluding Certificates held in any pension or retirement fund of the Districts) shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Certificates provided herein, and shall not be entitled to consent to or take any other action provided herein, and the Trustee may adopt appropriate regulations to require each Owner, before his consent provided for herein shall be deemed effective, to reveal if the Certificates as to which such consent is given are disqualified as provided in this Section.

Section 9.03. Procedure for Amendment with Written Consent of the Owners. The Trust Agreement may be amended by supplemental agreement as provided in this Section 9.03. In the event the consent of the Owners is required pursuant to Section 9.01 hereof, a description of the proposed amendment, together with a request to the Owners for their consent thereto, shall be mailed by the Trustee to each Owner of a Certificate at his address as set forth in the Certificate registration books maintained pursuant to Section 2.07 hereof, but failure to receive copies of such description and request so mailed shall not affect the validity of the supplemental agreement when assented to as in this Section provided. Nothing herein shall be deemed to require the mailing of the supplemental agreement itself to the Owners.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Owners of at least a majority in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in Section 9.02 hereof) and notices shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Certificates for which such consent is given, which proof shall be acceptable to the Trustee. Any such consent shall be binding upon the Owner of the Certificate giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the Trustee has received the required percentage of consents of the Owners of the Certificates and acknowledged the same to the Districts.

After the Owners of the required percentage of Certificates shall have filed their consents to such supplemental agreement, the Trustee shall acknowledge to the Districts the effectiveness of the agreement and shall mail a notice to the Owners of the Certificates in the manner hereinbefore provided in this Section for the mailing of such description, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Certificates and is effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved.

Section 9.04. Endorsement or Replacement of Certificates after Amendment or Supplement. After the effective date of any action taken as hereinabove provided, the Trustee may determine that the Certificates may bear a notation by endorsement in form approved by the Trustee as to such action, and in that case upon demand of the Owner of any Outstanding Certificate and presentation of the Certificate for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Certificate. If the Trustee shall so determine, new Certificates so modified as in the opinion of the Trustee shall be necessary to conform to such action shall be prepared, and in that case upon demand of the Owner of any Outstanding Certificates such new Certificates shall be exchanged without cost to each Owner for Certificates then Outstanding at the office of the Trustee upon surrender of such Outstanding Certificates. All Certificates surrendered to the Trustee pursuant to the provisions of this Section shall be cancelled by the Trustee and shall not be redelivered.

Section 9.05. Amendment or Supplement by Mutual Consent. The provisions of this article shall not prevent any Owner from accepting any amendment or supplement as to the particular Certificates owned by him; provided, that due notation thereof is made on such Certificates. No amendment or supplement of a Certificate shall be made without prior compliance with the provisions of this Article IX pertaining to amendment or supplement of this Trust Agreement.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Certificates and Trust Agreement.

(a) If the Trustee shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Certificates the interest and principal evidenced and represented thereby at the times and in the manner provided herein and therein, then such Owners shall cease to be entitled to the pledge of and lien on the Notes and any interest in the funds held hereunder as provided herein, and all agreements and covenants of the Districts to such Owners hereunder and under the Note Resolution shall thereupon cease, terminate and become void and shall be discharged and satisfied.

(b) Any Outstanding Certificates shall on their Principal Payment Date be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if there shall be on deposit with the Trustee Available Moneys which are sufficient to pay the interest and principal evidenced and represented by such Certificates payable on and prior to their Principal Payment Date.

(c) Any Outstanding Certificates shall prior to their Principal Payment Date be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if there shall have been deposited with the Trustee either Available Moneys in an amount which shall be sufficient or United States Treasury bills, notes, bonds or certificates of indebtedness, or obligations for which the full faith and credit of the United States of America are pledged for the payment of interest and principal, and which are purchased with Available Moneys and are not subject to redemption except by the holder thereof prior to maturity (including any

such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), the interest on and principal of which when paid will provide money which, together with the Available Moneys, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an independent certified public accountant delivered to the Trustee and the Credit Provider, to pay when due the interest evidenced and represented by such Certificates on and prior to their Principal Payment Date and the principal evidenced and represented by such Certificates.

(d) After the payment of the interest and principal evidenced and represented by all Outstanding Certificates as provided in this Section, at the Request of any District, the Trustee shall execute and deliver to the Districts all such instruments as the Districts may deem necessary or desirable to evidence the discharge and satisfaction of this Trust Agreement, and the Trustee shall pay over or deliver to the Districts all money or deposits or investments held by it pursuant hereto which are not required for the payment of the interest and principal evidenced and represented by such Certificates and the Trustee shall surrender the Credit Instrument to the Credit Provider, for cancellation by same.

(e) Notwithstanding anything to the contrary herein, this Trust Agreement shall not be discharged without the prior written consent of the Credit Provider, until all Predefault Obligations and Reimbursement Obligations have been paid or payment duly provided for by the Trustee's retention of sufficient funds to pay all Predefault Obligations and Reimbursement Obligations due or to become due as of the date of such discharge.

Section 10.02. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or principal evidenced and represented by any Certificates which remains unclaimed for two (2) years after the date when the payments evidenced and represented by such Certificates have become payable, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and principal evidenced and represented by such Certificates have become payable, shall be repaid by the Trustee to the Districts as their interests appear as their absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Districts for the payment of the interest and principal evidenced and represented by such Certificates, it being understood that the Credit Instrument shall no longer be in effect at that time; provided, that before being required to make any such payment to the Districts, the Trustee may, as a charge on such funds, give notice by mail to all Owners of Certificates that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of giving such notice, the balance of such money then unclaimed will be returned to the Districts.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Benefits of the Trust Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Districts, the Trustee, the Credit Provider and the Owners any claim, remedy or right under or pursuant hereto, and any

agreement, condition, covenant or term contained herein required to be observed or performed by or on behalf of the Districts shall be for the sole and exclusive benefit of the Trustee, the Credit Provider and the Owners and their successors.

Section 11.02. Successor Deemed Included in All References to Predecessor. Whenever any District, the Trustee or the Credit Provider, or any officer thereof, is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in such District, the Trustee or the Credit Provider, or such officer, and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of such District, the Trustee or the Credit Provider, or any officer thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 11.03. Execution of Documents by Owners. Any consent, declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or such Owner's attorney of any consent, declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

Any consent, declaration, request or other instrument in writing of the Owner of any Certificate shall bind all future Owners of such Certificate with respect to anything done or suffered to be done by the Districts or the Trustee in accordance therewith.

Section 11.04. Waiver of Personal Liability; Limited Liability of Authority. No trustee, member, officer or employee of the Districts shall be individually or personally liable for the payment of the interest or principal evidenced and represented by the Certificates, but nothing contained herein shall relieve any trustee, member, officer or employee of the Districts from the performance of any official duty provided by any applicable provisions of law or by the Notes or the Note Resolution.

Notwithstanding anything to the contrary herein, the Authority, its officers, directors, employees, and agents shall have no liability hereunder or by reason of or in connection with any of the transactions contemplated hereby except to the extent the Authority receives payment therefor from the Districts.

Section 11.05. Acquisition of Certificates by Districts. All Certificates acquired by a District, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation and the principal amount thereof shall be credited towards the principal amount of such District's Note and the interest thereon.

Section 11.06. Content of Certificates. Every Certificate of a District with respect to compliance with any agreement, condition, covenant or term contained herein shall include (a) a statement that the person or persons executing such certificate have read such agreement, condition, covenant or term and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or term has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or term has been complied with.

Any Certificate of a District may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person or persons executing such certificate know that the Opinion of Counsel with respect to the matters upon which his or their certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters and information with respect to which is in the possession of a District or the Authority, upon a representation by an officer or officers of such District or the Authority unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 11.07. Notice by Mail. Any notice required to be given hereunder by mail to any Owners of Certificates shall be given by mailing a copy of such notice, first class postage prepaid, to the Owners of such Certificates at their addresses appearing in the books required to be kept by the Trustee pursuant to the provisions of Section 2.07 and to the Credit Provider not less than thirty (30) days nor more than sixty (60) days following the action or prior to the event concerning which notice thereof is required to be given; provided, that receipt of any such notice shall not be a condition precedent to the effectiveness of such notice, and failure to receive any such notice shall not affect the validity of the proceedings taken in connection with the action or the event concerning which such notice was given.

Section 11.08. Funds. Any fund required to be established and maintained herein by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such funds shall at all times be maintained in accordance with industry practice and with due regard for the instructions, if any, delivered to the Trustee pursuant to Section 6.04(b) and for the protection of the security of the Certificates and the rights of the Owners and of the Credit Provider. All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Trust Agreement.

Section 11.09. Investments. Any money held by the Trustee in the Certificate Payment Fund and the Proceeds Fund shall, to the fullest extent practicable, be invested under the Investment Agreement and otherwise may be invested (and, upon the Request of any District, shall be invested with respect to the corresponding Payment Account or Proceeds Subaccount, as directed by the respective Districts) by the Trustee in Permitted Investments which will, as nearly

as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. To the extent the Trustee has not received any instruction with respect to the investment of funds in the Certificate Payment Fund (or any Payment Account therein) or the Proceeds Fund (or Proceeds Subaccount therein), such amounts shall be invested by the Trustee in a money market fund offered by the Trustee or any of its affiliates meeting the requirements set forth in clause (4) of the definition of Permitted Investments herein. The Trustee is hereby directed to execute the Investment Agreement. The amounts held in the several Payment Accounts and Proceeds Subaccounts will be accounted for separately for the respective Districts. The Trustee may act as principal or agent in the acquisition or disposition of any such deposit or investment and may at its sole discretion, for the purpose of any such deposit or investment, except with respect to the Credit Fund, commingle any of the money held by it hereunder. The Trustee shall not be liable or responsible for any loss suffered in connection with any such deposit or investment made by it under the terms of and in accordance with this Section. The Trustee may present for redemption or sell any such deposit or investment whenever it shall be necessary in order to provide money to meet any payment of the money so deposited or invested, and the Trustee shall not be liable or responsible for any losses resulting from any such deposit or investment presented for redemption or sold. Any interest or profits on such deposits and investments received by the Trustee shall be credited to the fund or account from which such investment was made.

Moneys held by the Trustee in the Costs of Issuance Fund, Principal Fund and the Interest Fund shall be invested in Permitted Investments.

Moneys in the Credit Fund shall be invested as specified in Section 5.03.

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

The Trustee or any of its affiliates may act as agent, sponsor or advisor in connection with any investment made by the Trustee hereunder.

Section 11.10. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to the Trust Agreement as a whole and not to any particular article, section, subdivision or clause thereof.

Section 11.11. Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms contained herein required to be observed or performed by or on the part of any District or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void and shall

be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Certificates, and the Owners and the Credit Provider shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable law. The Districts and the Trustee hereby declare that they would have executed and entered into this Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Certificates pursuant hereto irrespective of the fact that any one or more of the articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 11.12. California Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 11.13. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Trustee:	U.S. Bank National Association 633 West Fifth Street, 24th Floor Los Angeles, CA 90071 Attention: Global Corporate Trust Telephone: (213) 615-6052 Telefax: (213) 615-6199
If to the Authority:	California School Cash Reserve Program Authority c/o Moorpark Unified School District 5297 Maureen Lane Moorpark, California 93021 Telephone: (805) 378-6300 Telefax: (805) 531-6456
If to the Credit Provider:	_____ _____ _____, _____ _____ Telephone: (___) ___-____ Telefax: (___) ___-____
If to the Districts:	To the individual addresses as set forth in Exhibit A to the Purchase Agreement.

If to the Purchaser:	Piper Sandler & Co. 2321 Rosecrans Ave., Suite 3200 El Segundo, CA 90245 Telephone: (310) 297-6000 Telefax: (310) 297-6001
If to a Rating Agency:	Moody's Investors Service 99 Church Street New York, NY 10007 Telephone: (212) 553-3747 Telefax: (212) 964-6038
	Standard and Poor's Ratings Group Municipal Finance Department 25 Broadway, 38th Floor New York, NY 10041 Telephone: (212) 438-7973 Telefax: (212) 438-2131

Section 11.14. Effective Date. This Trust Agreement shall become effective upon its execution and delivery.

Section 11.15. Execution in Counterparts. This Trust Agreement may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, each of the Districts identified in Schedule I hereto has caused this Trust Agreement to be signed in its name by its duly authorized representative, and U.S. Bank National Association, as Trustee, to evidence its acceptance of the trust hereby created, has caused this Trust Agreement to be signed in the name of the Trustee by an authorized officer of the Trustee, all as of the day and year first above written.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Name:
Title:

[Name of District]

By: _____
Name:
Title:

SCHEDULE I

CREDIT AGREEMENT, CREDIT INSTRUMENT AND CREDIT PROVIDER AND PARTICIPATING DISTRICTS

SERIES [__] CERTIFICATES

Credit Agreement, Credit Instrument and Credit Provider

"Credit Agreement" means the Credit Agreement, dated as of _____ 1, 20__, by and among the Districts and the Credit Provider, as the same may be amended from time to time.

"Credit Instrument" means the [irrevocable letter of credit] issued by the Credit Provider insuring the payment when due of the first $_____ of principal and interest evidenced and represented by the Certificates attributable to the first $_____ of payment defaults by the Districts with respect to their Notes, as provided therein.

"Credit Provider" means _____, or any successor thereto.

"**Principal Office of the Credit Provider**" means the principal office of the Credit Provider, which, for the initial Credit Provider, is located at _____, _____, _____, _____.

Participating Districts

Issuer	Principal Amount of Note Issued	Percentage of Total Principal Amount of Notes Issued

SCHEDULE II

DEPOSITS TO PROCEEDS SUBACCOUNTS

EXHIBIT A

[FORM OF CERTIFICATE OF PARTICIPATION]
[FORM OF FRONT OF CERTIFICATE]

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. _____
$_____

CALIFORNIA SCHOOL CASH RESERVE PROGRAM
CERTIFICATE OF PARTICIPATION
(2020-2021 TRANS) SERIES [__]
Evidencing And Representing A Proportionate
Undivided Interest Of The Owner Hereof
In Notes Issued By
Certain California School Districts, Community College Districts
and County Boards of Education

Interest Rate	Principal Payment Date	Date of Initial Delivery	CUSIP
_____%	_____, 20__	_____ __, 20__	

REGISTERED OWNER: **Cede & Co.**

PRINCIPAL SUM: _____ DOLLARS

THIS IS TO CERTIFY that the registered owner set forth above of this California School Cash Reserve Program Certificate of Participation (2020-2021 TRANS) Series [__] (the "Certificate"), is the owner of a proportionate undivided interest in the rights to receive the principal and interest payments on the Notes (as that term is defined in the Trust Agreement hereinafter mentioned) issued by certain California school districts, community college districts and county boards of education (the "Districts"), all of which rights are evidenced and represented by this Certificate. Such Notes have been deposited by the Districts with U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, at its corporate trust office in Los Angeles, California, as trustee (together with any successor thereto in accordance with the Trust Agreement, the "Trustee").

The registered owner of this Certificate is entitled to receive, subject to the terms of the Notes, on the Principal Payment Date (the "Principal Payment Date") set forth above, upon surrender of this Certificate on such Principal Payment Date at said office of the Trustee, the principal sum set forth above, representing the registered owner's proportionate share of the principal payments on the Notes becoming due and payable on such Principal Payment Date and such registered owner's proportionate share of the interest payments on the Notes accruing from

the date of initial issuance of the Notes and becoming due and payable on the Notes on [_____, 20__ and _____ __, 20__], respectively. Such proportionate share of interest is determined by the multiplication of the aforesaid principal sum by the interest rate per annum set forth above determined on the basis of a 360-day year consisting of twelve 30-day months. All such amounts are payable in lawful money of the United States of America.

THE TERMS AND PROVISIONS OF THIS CERTIFICATE ARE CONTINUED ON THE REVERSE SIDE HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH HERE.

IN WITNESS WHEREOF, this Certificate has been dated the date of initial delivery hereof, and has been executed by the manual signature of an authorized officer of the Trustee on the following date:

US BANK NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Officer

[FORM OF BACK OF CERTIFICATE]

This Certificate is one of the duly authorized certificates of participation entitled "California School Cash Reserve Program Certificates of Participation (2020-2021 TRANS) Series [__]" aggregating $_____ (the "Certificates") which have been executed by the Trustee under and pursuant to the terms of a Trust Agreement (the "Trust Agreement") dated as of _____ 1, 20__ by and between the Trustee and each of the Districts. Copies of the Trust Agreement are on file at said office of the Trustee, and reference is hereby made to the Trust Agreement and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms securing the Certificates, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the registered owners of the Certificates with respect thereto, for the terms under which the Trust Agreement and the Notes can be amended, and for the other agreements, conditions, covenants and terms upon which the Certificates are executed and delivered thereunder, all to which the owner hereof assents and agrees by acceptance hereof.

The Certificates are authorized to be executed and delivered in the form of fully registered Certificates in denominations of five thousand dollars ($5,000) or any integral multiple thereof.

This Certificate is transferable or exchangeable by the registered owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender of this Certificate for cancellation accompanied by delivery of a duly executed written instrument of transfer or exchange, a new Certificate or Certificates of authorized denominations equal to the principal amount hereof will be executed and delivered by the Trustee to the registered owner hereof in exchange or transfer herefor.

The Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Certificate shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal evidenced and represented by this Certificate shall be made only to such registered owner as above provided, which payments shall be valid and effectual to satisfy and discharge the liability evidenced and represented by this Certificate to the extent of the sum or sums so paid.

The Certificates each evidence and represent a proportionate undivided interest in the Notes and enjoy the benefits of a security interest in the money held in certain funds established pursuant to the Trust Agreement, subject to the provisions of the Trust Agreement permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein.

The Notes are issued pursuant to Sections 53850 to 53858, both inclusive, of the California Government Code (herein called the "Act") (being Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code) by the Districts in anticipation of the receipt of taxes, income, revenue, cash receipts and other moneys to be received by the District attributable to Fiscal Year 2020-2021, a portion of which revenues are pledged for repayment of the Notes. The payment of a portion of principal of and interest on the Notes represented by the Certificates is also secured in whole or in part jointly, but not severally by [an irrevocable letter of credit] (the "Credit

Instrument") issued by _____. The Credit Instrument expires on _____ __, 20__ unless terminated earlier in accordance with its terms.

The Trustee has no obligation or liability to the registered owners of the Certificates for the payment of the interest or principal evidenced and represented by the Certificates; but rather the Trustee's sole obligation is to administer, for the benefit of the Districts and the registered owners of the Certificates, the various funds and other duties established under the Trust Agreement.

The Owner hereby has a proportionate undivided ownership interest in each of the following Notes, each dated the Date of Initial Delivery, maturing on the Principal Payment Date and bearing interest at the Interest Rate per annum and payable on the Principal Payment Date, all as specified on the face of this Certificate.

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

[FORM OF ASSIGNMENT]

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____ whose tax identification number is _____ the within Certificate and do(es) hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer such Certificate on the register of the Trustee, with full power of substitution in the premises.

Dated:

_____

SIGNATURE GUARANTEED BY:

_____

_

_____

_

Note: Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever, and the signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

EXHIBIT B

[FORM OF REQUISITION FROM PROCEEDS SUBACCOUNT]

To: U.S. Bank National Association, as Trustee

From: _____ District

Re: 2020-2021 California School Cash Reserve Program (the "Program")
Certificates of Participation (2020-2021 TRANS) Series [__]

Requisition No. _____

The undersigned, on behalf of the _____ District (the "District"), hereby requests payment, from the Proceeds Subaccount of the District pursuant to the Program, the amount of $_____ [by wire/check (circle one)] for purposes for which the District is authorized to expend moneys. If the payment is by wire, please fill in the following information:

Name of Bank: _____

ABA#: _____

Account No. _____

The undersigned hereby certifies as follows:

1. The amount requisitioned hereby together with all other unreplenished withdrawals from the Proceeds Subaccount of the District does not, as of the date hereof, exceed seventy-five percent (75%) of (a) the uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys intended as receipts for the general fund of the District to be received by the District attributable to Fiscal Year 2020-2021 and which are generally available for the payment of current expenses and other obligations of the District (collectively, "unrestricted revenues") less (b) projected uncollectible unrestricted revenues of the District during such Fiscal Year.

2. The amount requisitioned hereby (a) is for a purpose for which the District is authorized to use and expend funds from the general fund or capital fund of the District, and (b) (if invested under the Investment Agreement) is not being requisitioned for reinvestment in other investments.

3. Other funds of the District are not readily available for expenditure for such purpose with respect to any operating draws.

4. The information contained herein is true and correct as of the date of this Requisition.

5. The representations of the District set forth in Section 12 of the Resolution of the District, providing for the borrowing of funds for Fiscal Year 2020-2021 and the issuance and sale of one or more Series of 2020-2021 Tax and Revenue Anticipation Notes therefor and authorizing participation in the Program (the "Resolution") are true and correct in all material respects as though made on and as of this date except to the extent that such representations relate to an earlier date.

6. As of the date hereof, no event has occurred and is continuing which constitutes an Event of Default under the Resolution or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

7. As of the date hereof, the District has not filed with the County Superintendent of Schools, the County Board of Education or the State Superintendent of Public Instruction, and has not received from the County Superintendent of Schools or the State Superintendent of Public Instruction, (a) a negative certification applicable to Fiscal Year 2019-2020 or Fiscal Year 2020-2021, or (b) a certification applicable to Fiscal Year 2019-2020 or Fiscal Year 2020-2021 that is lower than the certification held by the District on the date the District issued its Note for participation in above-captioned Program.

Dated: _____.

_____
Authorized District
Representative

CREDIT AGREEMENT*

Dated as of _____ 1, 20__

among

THE CALIFORNIA SCHOOL DISTRICTS, COMMUNITY COLLEGE DISTRICTS, AND COUNTY BOARDS OF EDUCATION NAMED ON SCHEDULE I ATTACHED HERETO

and

[CREDIT PROVIDER]

$_____
CALIFORNIA SCHOOL CASH RESERVE PROGRAM
CERTIFICATES OF PARTICIPATION
(2020-2021 TRANS) SERIES [__]

**This form of Credit Agreement is drafted as if the Certificate Structure of the California School Cash Reserve Program is implemented. In the event the Bond Pool Structure is implemented and one or more letters of credit are utilized as credit enhancement, this Credit Agreement shall be modified to reflect such structure.*

TABLE OF CONTENTS

Page

ARTICLE I CERTAIN DEFINED TERMS....2

Section 1.01. Definitions....2
Section 1.02. Accounting Matters....5
Section 1.03. Use of Phrases....5
Section 1.04. Computation of Time Periods....5

ARTICLE II LETTER OF CREDIT; FEES....5

Section 2.01. Amount and Terms of Letter of Credit....5
Section 2.02. Fees....5
Section 2.03. Additional Payments....6

ARTICLE III REIMBURSEMENT....6

Section 3.01. Reimbursement Obligation....6
Section 3.02. Evidence of Debt....7
Section 3.03. Credit for Amount Paid Pursuant to Trust Agreement or Resolutions....7
Section 3.04. Place, Time and Manner of Payment....7
Section 3.05. Limitation on Source of Payment....8

ARTICLE IV CONDITIONS PRECEDENT TO ISSUANCE OF THE LETTER OF CREDIT....8

Section 4.01. Documents to be Received....8
Section 4.02. Additional Conditions Precedent....9

ARTICLE V OBLIGATIONS ABSOLUTE....9

Section 5.01. Obligations Absolute....9

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF THE DISTRICTS....10

Section 6.01. Organization, Powers, Etc....10
Section 6.02. Authorization; Absence of Conflicts, Etc....10
Section 6.03. Binding Obligation....11
Section 6.04. Governmental Approvals....11
Section 6.05. Compliance with Applicable Law....11
Section 6.06. Absence of Litigation....11
Section 6.07. Absence of Defaults....12
Section 6.08. Disclosure....12
Section 6.09. Tax-Exempt Status....12

ARTICLE VII AFFIRMATIVE COVENANTS....12

Section 7.01. Compliance with Agreements....12
Section 7.02. Compliance with Applicable Laws....12
Section 7.03. Accounting and Reports....12
Section 7.04. Notice of Default....12
Section 7.05. Litigation Notice....13

Section 7.06. Further Assurances 13
Section 7.07. Removal of the Trustee 13
Section 7.08. Preservation of Existence 13
Section 7.09. Defaulted Notes 13
Section 7.10. Security for Notes 13

ARTICLE VIII NEGATIVE COVENANTS 14

Section 8.01. Note Documents 14
Section 8.02. Maintenance of Tax-Exempt Status of Notes 14
Section 8.03. Liquidation 14
Section 8.04. Merger 14
Section 8.05. Encumbrances 14

ARTICLE IX EVENTS OF DEFAULT AND REMEDIES 15

Section 9.01. Events of Default 15
Section 9.02. Remedies 15

ARTICLE X INDEMNIFICATION 16

Section 10.01. Indemnification 16

ARTICLE XI NATURE OF BANK'S DUTIES 16

Section 11.01. Nature of Bank's Duties 16

ARTICLE XII MISCELLANEOUS 17

Section 12.01. Waivers, Amendments 17
Section 12.02. Survival of Representations and Warranties 18
Section 12.03. Expenses 18
Section 12.04. Notices 19
Section 12.05. Continuing Obligation 20
Section 12.06. Participation 20
Section 12.07. Satisfaction Requirement 20
Section 12.08. Governing Law 20
Section 12.09. Counterparts 20
Section 12.10. Severability 20
Section 12.11. Headings 21
Section 12.12. Entire Agreement; No Agency 21
Section 12.13. No Third Party Benefit 21
Section 12.14. Consent to Venue 21
Section 12.15. Waiver of Jury Trial 21
Section 12.16. Limitation of Liability 22

CREDIT AGREEMENT

This Credit Agreement, dated as of _____ 1, 20__ (the "Agreement") among the SCHOOL DISTRICTS, COMMUNITY COLLEGE DISTRICTS, AND COUNTY BOARDS OF EDUCATION NAMED IN SCHEDULE I ATTACHED HERETO (the "Districts"), and [CREDIT PROVIDER] (the "Bank").

RECITALS

WHEREAS, the Districts have determined to simultaneously issue their Tax and Revenue Anticipation Notes (individually, a "Note" and collectively, the "Notes") and to deposit the Notes with the U.S. Bank National Association, as trustee (the "Trustee") under the Trust Agreement, dated as of _____ 1, 20__ (the "Trust Agreement"), by and between the Trustee and the Districts, and participate in the California School Cash Reserve Program (the "Program"); and

WHEREAS, each District has designated the Trustee to act as its trustee with respect to the funds received by the District from the sale of its Note and with respect to the moneys paid by the District in satisfaction of its Note; and

WHEREAS, in consideration of such deposits and the execution and entering into of the Trust Agreement, the Trustee has agreed to execute and deliver certificates of participation, as more fully described in the Trust Agreement (the "Certificates") in an aggregate principal amount equal to the aggregate principal amount of the Notes, each evidencing and representing a proportionate, undivided interest in the Notes; and

WHEREAS, in order to provide funds for the payment, in whole or in part, as the case may be, when due of principal of and interest on the Notes at the times and in accordance with the conditions provided therein, the Districts have requested that the Bank issue to the Trustee, for the account of the Districts, the Bank's irrevocable letter of credit (the "Letter of Credit") in the aggregate amount specified below, which Letter of Credit may be drawn upon by the Trustee, to the extent of the amount available under the Letter of Credit, to pay principal of or interest on the Notes when such amounts are due; and

WHEREAS, the issuance of the Notes and the approval of the execution and delivery of the Trust Agreement and this Agreement have been in all respects duly and validly authorized by the governing boards of the Districts pursuant to resolutions duly adopted and, where appropriate, by the governing boards of the counties in which the Districts are located (collectively, the "Resolutions").

NOW, THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

CERTAIN DEFINED TERMS

Section 1.01. **Definitions.** As used in this Agreement, the following terms shall have the following meanings:

"Act" means the California Government Code, Sections 53850-53858, both inclusive, as from time to time supplemented or amended.

"A Drawing" means a Drawing made by sight draft accompanied by a certificate in the form of Annex A to the Letter of Credit.

"Agreement" means this Credit Agreement, as amended from time to time in accordance with its terms.

"Amount Available" means, from time to time, with respect to the Letter of Credit, the amount as to which the Bank is obligated to honor Drawings under the Letter of Credit and shall be equal, at any time, to the Commitment at such time less the total amount of unreimbursed Drawings.

"Applicable Law" means all applicable provisions of all constitutions, statutes (including the Act), rules, regulations, and orders of all governmental and non-governmental bodies, all Governmental Approvals and all orders, judgments, and decrees of all courts and arbitrators.

"Authority" means the California School Cash Reserve Program Authority, duly organized and existing under and by virtue of the laws of the State of California.

"Bank" means [Credit Provider] and its successors and assigns. The Bank constitutes a Credit Provider as defined in the Resolutions.

"Business Day" has the meaning set forth in the Trust Agreement.

"Certificates" means the $_____ California School Cash Reserve Program Certificates of Participation (2020-2021 TRANS) Series [__], to be executed and delivered by the Trustee pursuant to the Trust Agreement.

"Commission Payment Date" means the Date of Issuance.

"Commitment" means $_____.

"Date of Issuance" means the date of initial issuance and delivery by the Bank of the Letter of Credit as set forth in Section 2.01 hereof.

"Default" means any of the events specified in Section 9.01 hereof which, with the passage of time or giving of notice or both, would constitute an Event of Default.

"Default Rate" means the rate of interest per annum payable with respect to each Defaulted Note equal to the lesser of (i) the Prime Rate plus __% or (ii) the maximum rate permitted by applicable law when applied to the unreimbursed amount of the proceeds of the Drawings used to pay principal of and interest on a Note, in each case to be calculated on the basis of a 360-day year, actual number of days elapsed, with the interest rate being adjusted each time that Prime Rate changes.

"Defaulted Note" means a Note the principal and interest on which has been paid in whole or in part with the proceeds of a drawing or claim under the Letter of Credit which remains not fully reimbursed pursuant to the terms of this Agreement.

"Districts" means the California school districts, county boards of education, and community college districts named in Schedule I hereto including, where appropriate, the counties required to be the issuers of the Notes for the school districts that are not fiscally accountable, and their successors and assigns.

"Drawing" means a drawing under the Letter of Credit in accordance with its terms.

"Event of Default" has the meaning set forth in Section 9.01 hereof.

"Expiration Date" means the last day a Drawing is available under the Letter of Credit.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rate of overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers, quoted for any day which is a Business Day, by three Federal Funds brokers of recognized standing selected by the Bank.

"Governmental Approval" means an authorization, permit, consent, approval, license or exemption from, registration or filing with, or report to, any governmental or regulatory unit.

"Investment Agreement" means the Investment Agreement entered into by the Trustee acting on behalf of the Districts and _____, dated as of _____ 1, 20__, which has been approved in advance by the Bank and is acceptable to the Rating Agency, providing for the investment of funds held by the Trustee under the Trust Agreement.

"Letter of Credit" means the Letter of Credit dated the Date of Issuance and issued by the Bank pursuant to the Agreement.

"Lien," as applied to the Property of any Person, means (in each case, whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process, or otherwise): (a) any mortgage, lien, pledge, attachment, charge, lease evidencing a capitalized lease obligation, conditional sale, or other title retention agreement, or other security interest or encumbrance of any kind in respect of any Property of such Person, or upon the income or profits therefrom; and (b) any arrangement, express or implied, under which any Property of such Person is transferred, sequestered, or otherwise identified for the purpose of securing indebtedness or performance of any other obligation in priority to the payment of the general, unsecured creditors of such Person.

"Materially Adverse Effect" means, (a) (i) with respect to any Person, a materially adverse effect upon such Person's business, assets, liabilities, financial condition, results of operations, or business prospects and (ii) with respect to a group of Persons as a whole, a materially adverse effect upon such Persons' businesses, assets, liabilities, financial conditions, results of operations, or business prospects taken as a whole and (b) with respect to any agreement or obligation, a materially adverse effect upon the binding nature, validity, or enforceability of such agreement or obligation.

"Note Documents" means, at any time, each of the following as in effect or as outstanding, as the case may be, at such time: (i) the Notes, (ii) the Trust Agreement, (iii) the Resolutions, (iv) the Investment Agreement, (v) the Purchase Agreement, (vi) the Certificates, and (vii) the closing certificates delivered by the Districts in connection with the issuance of the Notes.

"Notes" means the $_____ aggregate principal amount of the Districts' respective Tax and Revenue Anticipation Notes, to be issued pursuant to the separate Resolutions.

"Official Statement" means the official statement of the Program dated _____, 20__, relating to the sale of the Certificates, including any amendment or supplement thereto and any documents incorporated therein by reference.

"Permitted Investments" has the meaning set forth in the Trust Agreement.

"Person" means an individual, corporation, partnership, trust, or unincorporated organization, or a government or any agency or political subdivision thereof.

"Prime Rate" means the rate announced, from time to time, by the Bank in _____, _____ as its "prime rate"; provided, however, if the Bank does not announce such a prime rate, then Prime Rate shall be the so-called prime rate announced by [Citibank, N.A].

"Principal Payment Date" has the meaning set forth in the Trust Agreement.

"Program" means the California School Cash Reserve Program, as established by the Note Documents, pursuant to which the Certificates are executed and delivered to assist Districts in financing cash flow deficits.

"Property" means any interest in any kind of property or assets, whether real, personal or mixed, or tangible or intangible.

"Purchase Agreement" means, collectively, those certain Purchase Agreements by and between the respective Districts and the Underwriter relating to the Notes as evidenced and represented by the Certificates.

"Rating Agency" has the meaning set forth in the Trust Agreement.

"Resolutions" means the several resolutions adopted by the Districts authorizing the issuance and sale of the Notes.

"State" means the State of California.

"Termination Date" means _____ __, 20__.

"Trust Agreement" means the Trust Agreement dated as of _____ 1, 20__ by and between the Districts and the Trustee, as the same may from time to time be amended or supplemented, provided the provisions of Section 8.01 hereof are complied with.

"Trustee" means U.S. Bank National Association, the trustee under the Trust Agreement, or any successor thereto as trustee appointed pursuant to the Trust Agreement.

"Underwriter" means Piper Sandler & Co.

Section 1.02. Accounting Matters**.** Unless otherwise defined herein or in the Note Documents, all accounting terms used herein and in the Note Documents are used with the meanings ascribed to such terms in accordance with the California School Accounting Manual, 20__ Edition. All computations utilized by the Districts in complying with any covenant contained herein shall, unless there is an express direction to the contrary, be computed on a basis consistent with generally accepted accounting principles for state and local governments and any applicable guidance from the Governmental Accounting Standards Board as from time to time in effect, as appropriate.

Section 1.03. Use of Phrases**.** "Herein," "hereby," "hereunder," "hereinbefore," "hereinafter," and other equivalent words refer to this Agreement as an entirety and not solely to the particular portion thereof in which any such word is used. The definitions set forth in Section 1.01 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

Section 1.04. Computation of Time Periods**.** In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

ARTICLE II

LETTER OF CREDIT; FEES

Section 2.01. Amount and Terms of Letter of Credit**.** The Bank agrees, on the terms and subject to the conditions hereinafter set forth, including without limitation the conditions set forth in Article IV hereof, to issue the Letter of Credit on _____, 20__. The Letter of Credit will be issued in an amount equal to $_____. The Letter of Credit shall be issued to the Trustee for the account of the Districts substantially in the form of Exhibit A hereto, with such changes to the form set forth in Exhibit A as the Districts and the Bank shall agree in writing are necessary or advisable.

Section 2.02. FeesEach District hereby agrees to pay or cause the Trustee to pay to the Bank, on the Commission Payment Date, its ratable share of a letter of credit fee equal to _____% per annum on the Commitment, calculated on the basis of a 360-day year and actual number of

days from the Commission Payment Date until the Expiration Date, and its ratable share of an up-front fee equal to _____% of the Commitment.

(b) The Districts hereby agree to pay to the Bank, upon each transfer of the Letter of Credit in accordance with its terms, a transfer fee equal to $[500.00].

(c) The Districts hereby agree to pay to the Bank, upon each Draw under the Letter of Credit in accordance with its terms, a sum equal to equal to $[250.00], payable on the date of the Drawing.

(d) The Districts hereby agree to pay to the Bank, upon each amendment of the Letter of Credit, a fee of $[500.00] together with all costs and expenses of the Bank (including reasonable attorneys' fees) incurred related thereto.

(e) The Districts hereby agree to pay or cause the Trustee to pay to the Bank, or directly to such counsel, on the Commission Payment Date the fees and disbursements of the Bank's U.S. counsel incurred in connection with the preparation and negotiation of this Agreement.

Section 2.03. Additional Payments**.** If any change in any law or regulation of the United States or in the interpretation thereof by any court or administrative or governmental authority of the United States charged with the administration thereof, shall either (i) impose, modify, or deem applicable any reserve, special deposit, capital adequacy, insurance assessment, fee, or similar requirement against letters of credit issued by the Bank, including any requirement affecting the amount of capital required or expected to be maintained by the Bank or any corporation controlling the Bank, or (ii) impose on the Bank any other condition relating, directly or indirectly, to this Agreement or the Letter of Credit, and the result of any event referred to in (i) or (ii) above shall be to increase the cost to the Bank of issuing or maintaining the Letter of Credit, including a determination that the amount of capital required is increased by or based upon the existence of this Agreement or the Letter of Credit, then the Bank shall send to Trustee (to be sent by the Trustee to the Districts) written notice of any such increase (which notice shall set forth in reasonable detail the events giving rise to such increased cost, including increase in capital, and the basis of the Bank's calculation thereof), and the Districts shall pay to the Bank such additional amounts as shall be demanded by the Bank as sufficient to compensate the Bank for such increased cost, including increase in capital, in accordance with Section 3.04 hereof. A certificate as to the calculation for determining the amount of such increased cost, including increase in capital, incurred by the Bank as a result of any event referred to in clause (i) or (ii) of this Section 2.03 submitted by the Bank to the Districts shall be conclusive, absent manifest error, as to the amount thereof.

ARTICLE III

REIMBURSEMENT

Section 3.01. Reimbursement ObligationEach District agrees to pay, or cause the Trustee to pay, to the Bank from amounts available therefor under the Trust Agreement, the amount of any Drawing applied to the payment of principal or interest on such District's Note not later than 1:00

p.m. California time on the date of payment by the Bank of such Drawing. Upon payment by the Bank of any Drawing applied to the payment of principal or of interest on a District's Note, the principal amount of which is not reimbursed to the Bank by 1:00 p.m. California time as aforesaid, the Bank shall be deemed by the Trustee to have purchased such District's Note (or a fraction thereof) in the principal amount equal to the aggregate amount of such Drawing. Such Note thereupon becomes a Defaulted Note as evidence of a District's reimbursement obligation under this Section 3.01. Upon payment by the Bank of a Drawing with respect to any Note or a fraction of any Note, the Bank shall succeed and be subrogated to the owners of the Certificates with respect to such Note or fraction thereof, and the Trustee shall hold such Note in the name of the Bank for the benefit of the Bank and for the benefit of the Certificate owners (to the extent such Note is not covered by the Letter of Credit) in the manner specified in the Trust Agreement.

(b) Interest shall accrue on the obligation to reimburse the Bank for the amount of any Drawing from the date of such Drawing, to the date of reimbursement thereof, at the Default Rate, payable on demand, such obligation to be evidenced by such Defaulted Note, provided that no such interest shall accrue if the Bank is reimbursed for the full amount of such Drawing prior to 1:00 p.m. California time on the date of such Drawing.

Section 3.02. Evidence of Debt**.** The Bank shall open and maintain, in accordance with its usual practice, a record evidencing the amount of any Drawing and accrued interest thereunder and the amount of all payments hereunder. The records of the Bank shall, absent manifest error, be conclusive evidence of the existence and the amount of the reimbursement obligation of each of the Districts hereunder and all payments made by each of the Districts with respect thereto.

Section 3.03. Credit for Amount Paid Pursuant to Trust Agreement or Resolutions**.** To the extent any amounts are received by the Bank pursuant to the Trust Agreement from the Trustee or pursuant to the Resolutions from the Districts, the Bank shall apply such amounts first to the interest due on the obligations owing to the Bank, then to the principal of such obligations owing to the Bank, as appropriate, and then to any other obligations owing to the Bank pursuant to this Agreement.

Section 3.04. Place, Time and Manner of Payment**.** All payments by or on behalf of each District to the Bank under this Agreement shall be made in lawful currency of the United States and in immediately available funds, at the Bank's office at _____, _____, _____, Attention: Commercial Loan Services, or by wire transfer to the Bank's account No. _____ at ABA _____ , Reference: California School Cash Reserve Program and shall be made without any set-off, counterclaim, or deduction whatsoever. In the case of payments of the obligations under Section 3.01 hereof, each District shall cause the Trustee to deliver to the Bank, accompanying such payments, written notice (which may be sent by telecopy, promptly confirmed in writing) of the District or Districts whose Notes have become Defaulted Notes. Each District hereby agrees to pay, or cause the Trustee to pay, to the Bank interest on any and all amounts owed by such District due and unpaid hereunder from the date such amounts become due until paid in full (after as well as before judgment), payable on demand, at the Default Rate, in accordance with the provisions of this Agreement. In the case of payments owed under Sections 2.03, 10.01, or 12.03 hereof, upon receipt of notice from the Bank of amounts due to the Bank pursuant to such relevant section, payment of such amounts shall be due and payable not later than thirty (30) days after delivery of such notice. Each District shall instruct the Trustee to remit to

the Bank any amounts allocable to each liable District and then available under the Trust Agreement for the payment of such amounts owed to the Bank. In the event that the moneys available from the Trustee are insufficient to pay such amounts owed to the Bank, each liable District shall promptly remit its allocable shares of the amounts necessary to pay the amounts owed to the Bank. Each District shall pay to the Bank, by the thirtieth (30th) day after delivery of such notice from the Bank, any amounts owed to the Bank. Interest at the Default Rate shall accrue on any amounts owed to the Bank which remain outstanding after such thirtieth (30th) day, until payment in full of such amounts, and such interest shall be allocable among those Districts whose allocable share remains due and owing. In the event that the date specified for any payment hereunder is not a Business Day, such payment shall be made not later than the next following Business Day, and interest shall be paid at the rate provided for herein on any such payment to the Business Day on which such payment is made.

Section 3.05. Limitation on Source of Payment**.** Notwithstanding anything to the contrary herein or in any Note or document referred to herein, no District shall incur any obligation under this Article III, except to the extent payable from unencumbered revenues attributable to its 2020-2021 fiscal year.

ARTICLE IV

CONDITIONS PRECEDENT TO ISSUANCE OF THE LETTER OF CREDIT

Section 4.01. Documents to be Received**.** The Bank's obligation to issue the Letter of Credit as set forth in Section 2.01 hereof is subject to the conditions precedent that, on or prior to the Date of Issuance the Bank shall receive the following documents, each dated the Date of Issuance, in form and substance satisfactory to the Bank:

(a) this Agreement, duly executed by the Districts;

(b) copies of each of the Note Documents, fully executed on behalf of the parties thereto, provided that, in the case of the Certificates, the Bank may receive a specimen thereof and, in the case of the Notes, the Bank may receive a specimen thereof and may examine executed Notes;

(c) certified copies of all Governmental Approvals, if any, necessary for the Districts to execute, deliver, and perform their obligations under this Agreement and the Note Documents to which they are a party;

(d) an approving opinion of bond counsel which shall be addressed to the Bank (or a letter addressed to the Bank authorizing the Bank to rely on such opinion) and shall be in form and substance satisfactory to the Bank concerning such matters as the Bank may reasonably request;

(e) favorable opinion or opinions of special counsel for each of the Districts, each of which shall be addressed to the Bank;

(f) a favorable opinion of [the foreign and domestic] counsel to the investment provider under the Investment Agreement which shall be addressed to the Bank and shall be in

form and substance satisfactory to the Bank concerning such matters as the Bank may reasonably request;

(g) favorable opinions of [the foreign and domestic] counsel to the Bank, which shall be addressed to the Bank and the Trustee and shall be as to such matters as the Bank may reasonably request;

(h) written evidence that the Certificates, taking into consideration the issuance of the Letter of Credit by the Bank, shall have been rated "___" by Standard & Poor's and "_____" by Moody's Investors Service, and that the ratings are in full force and effect as of the Date of Issuance; and

(i) such other documents, certificates, instruments, opinions (including reliance letters), approvals (and if requested by the Bank, certified duplicates of executed copies of such approvals), or filings with respect to the Note Documents and this Agreement, as the Bank or its counsel may reasonably request.

Section 4.02. Additional Conditions Precedent**.** The Bank's obligation to issue the Letter of Credit as set forth in Section 2.01 hereof is further subject to the conditions precedent that (i) each District participating in the Program shall have been approved by the Bank as meeting its criteria for participation in the Program and (ii) the Bank shall receive a certificate signed by:

(a) a duly authorized officer of each District, dated the Date of Issuance, to the effect that the representations and warranties of the District are true and correct on and as of the Date of Issuance as though made on and as of the Date of Issuance; and

(b) a duly authorized officer of each District, dated the Date of Issuance, to the effect that as of the Date of Issuance, no Default or Event of Default relating to the obligations of the District under the Trust Agreement or its Resolution has occurred and is continuing, or would result directly or indirectly from the issuance of the Letter of Credit or any other matter pertaining to this transaction.

ARTICLE V

OBLIGATIONS ABSOLUTE

Section 5.01. Obligations Absolute**.** The obligations of the Districts under this Agreement shall be absolute, unconditional, and irrevocable, and shall be paid or performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances:

(a) any lack of validity or enforceability of the Letter of Credit or any Note Documents;

(b) any amendment or waiver of or any consent to depart from the terms hereof or from all or any of the Note Documents;

(c) the existence of any claim, set-off, defense, or other right that any District may have at any time against the Trustee, any owner of any Certificate, any beneficiary, or any transferee of the Letter of Credit (or any Person for whom the Trustee, any such beneficiary, or any such transferee may be acting), the Bank, or any other Person, whether in connection with this Agreement or any of the Note Documents, any transactions contemplated hereby or thereby, or any unrelated transaction;

(d) any statement or any other documents presented under the Letter of Credit proving to be forged, fraudulent, invalid, or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(e) any non-application or misapplication by the Trustee or otherwise of the proceeds of any Drawing;

(f) payment by the Bank under the Letter of Credit against presentation of a draft or certificate that does not comply with the terms of the Letter of Credit;

(g) the failure by the Bank to honor any Drawing under the Letter of Credit or to make any payment demanded under the Letter of Credit on the ground that the demand for such payment does not conform to the terms and conditions of the Letter of Credit; and

(h) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing;

provided, however, that nothing contained in this Article V shall affect the standard of care applicable to the Bank in the context of Section 11.01 hereof or be deemed to be a waiver by the Districts of any rights they may have under said Section 11.01.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF THE DISTRICTS

To induce the Bank to enter into this Agreement and to issue the Letter of Credit, each District hereby individually represents and warrants to the Bank that:

Section 6.01. Organization, Powers, Etc**.** The District is a local agency within the meaning of California Government Code Section 53850 and a political subdivision of the State duly organized and existing under the laws of the State, and has full power and authority (i) to issue its Note and (ii) to execute, deliver, perform, and secure its obligations under this Agreement and the Note Documents to which it is a party. The District has complied with all provisions of Applicable Law, including without limitation the Act, in all material matters related to the transactions contemplated hereunder and under the Note Documents.

Section 6.02. Authorization; Absence of Conflicts, Etc**.** The District has taken all official action necessary to authorize it to execute, deliver, perform, and secure its obligations under this Agreement and each of the Note Documents to which it is a party, in accordance with their respective terms. The execution, delivery, and performance of this Agreement and each of the Note Documents to which the District is a party, in accordance with their respective terms and the

borrowing thereunder (and the application of the proceeds thereof) (i) have been duly authorized by all necessary action on the part of the District, (ii) do not and will not contravene the laws of the State providing for the organization and government of the District, (iii) do not and will not conflict with, or result in a violation of, any Applicable Law, (iv) do not and will not require any consent or approval of any creditor of the District or other third party or conflict with, result in a violation of, or constitute a default under any agreement or instrument to which the District is a party or by which it or any of its Property may be bound, and (v) do not and will not result in or require the creation or imposition of any Lien upon or with respect to any Property now owned or hereafter acquired by the District pursuant to any other agreement to which the District is a party.

Section 6.03. Binding Obligation**.** This Agreement has been duly executed and delivered by the duly authorized officers of the District and is, and each of the Note Documents to which the District is a party, when executed and delivered (assuming due authorization, execution, and delivery by the other parties thereto) will be, a legal, valid, and binding obligation of the District enforceable against the District in accordance with its respective terms, except to the extent, if any, that the enforceability thereof may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, debt adjustment, or other similar law or enactment now or hereafter enacted by the State or Federal government affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 6.04. Governmental Approvals**.** All Governmental Approvals necessary for the District to enter into this Agreement and the Note Documents to which it is a party and to perform its obligation hereunder and thereunder have been obtained and remain in full force and effect and are subject to no further administrative or judicial review, and no other Governmental Approval is necessary for the due execution, delivery and performance by the District of this Agreement or such Note Documents.

Section 6.05. Compliance with Applicable Law**.** The District is in compliance with all Applicable Law, including all Governmental Approvals, except for non-compliancies that, singly or in the aggregate, have not had and will not have a Materially Adverse Effect on the District or the District's obligations pursuant to this Agreement and the Note Documents to which it is a party.

Section 6.06. Absence of Litigation**.** There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending or, to the knowledge of the District, threatened against or affecting the District, questioning the validity of any proceeding taken or to be taken by the District in connection with the execution, delivery, and performance by the District of the Note Documents to which it is a party or this Agreement or seeking to prohibit, restrain, or enjoin the execution, delivery, or performance by the District of any of the foregoing, nor, to the knowledge of the District, is there any basis therefor, wherein an unfavorable decision, ruling, or finding (i) would adversely affect the validity or enforceability of, or the authority or ability of the District to perform its obligations under, the Note Documents to which it is a party or this Agreement, (ii) would adversely affect the validity of the Act or any provision thereof material to the transactions contemplated by this Agreement or any of the Note Documents, or (iii) would adversely affect the exclusion of interest on the Notes from gross income for federal income tax purposes.

Section 6.07. Absence of Defaults**.** The District is not in default in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any agreement or instrument to which the District is a party or by which the District or any of its Property is bound or any judgments, decrees, or orders, except for defaults that, singly or in the aggregate, have not had and will not have a Materially Adverse Effect on the District's ability to perform its monetary obligations to the Bank pursuant to this Agreement or any of the Note Documents to which it is a party.

Section 6.08. Disclosure**.** The information contained in the Official Statement, including any appendices, exhibits or attachments thereto (other than information furnished to the Underwriter by the Bank for inclusion in the Official Statement and information relating to other Districts) as such Official Statement (other than such information with respect to the Bank and other Districts) may have been amended or supplemented, is true and correct, and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. There are no facts pertaining to the District that the District has failed to disclose to the Bank through the Official Statement or otherwise that, individually or in the aggregate, materially adversely affect or, so far as the District can foresee, will materially adversely affect the operations, affairs, Properties, condition (financial or otherwise), or prospects of the District or the Program.

Section 6.09. Tax-Exempt Status**.** The District has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other person or entity, which action, if taken or omitted, would cause interest on the Notes to be included in gross income for federal income tax purposes.

ARTICLE VII

AFFIRMATIVE COVENANTS

From the Date of Issuance and until the termination of this Agreement and payment in full to the Bank of all amounts payable to Bank hereunder, each District hereby individually covenants and agrees that, unless the Bank shall otherwise consent in writing:

Section 7.01. Compliance with Agreements**.** The District shall observe and perform fully and faithfully all of its obligations under this Agreement and the Note Documents to which it is a party (whether or not any such Note Documents expires in accordance with its terms).

Section 7.02. Compliance with Applicable Laws**.** The District shall comply in all material respects with any and all Applicable Laws material to the Trust Agreement, the other Note Documents, this Agreement, and the Letter of Credit.

Section 7.03. Accounting and Reports**.** The District will furnish or cause the Trustee to furnish to the Bank promptly, from time to time, such information regarding the operations, financial condition, and Property of the District as the Bank may reasonably request.

Section 7.04. Notice of Default**.** The District will notify the Bank promptly of any Default or Event of Default of which the District has knowledge, setting forth the details of such Default

or Event of Default and any and all action which the District has taken or proposes to take with respect thereto.

Section 7.05. Litigation Notice**.** The District will notify the Bank in writing, promptly after the same shall have become known to the District or any official of the District upon whom process has been served, of any action, suit, or proceeding at law or in equity or by or before any governmental instrumentality or other agency that, if adversely determined, might materially impair the ability of the District to perform its obligations under this Agreement or any Note Document or might have a Materially Adverse Effect on the operations, Property, assets, or condition of the District.

Section 7.06. Further Assurances**.** The District will, at any and all times, insofar as it may be authorized so to do by law, pass, make, do, execute, acknowledge and deliver every and all such further resolutions, acts, deeds, conveyances, assignments, recordings, filing, transfers and assurances as may be reasonably requested by the Bank for the better assuring, conveying, granting, assigning and confirming all and singular the rights, revenues and other funds pledged or assigned to the payment of the Notes (including the interest thereon) or payment of its obligations hereunder or under the Note Documents, or intended so to be, or which the District may hereafter become bound to pledge or assign thereto.

Section 7.07. Removal of the Trustee**.** Upon demand of the Bank, the District will join in the removal of the Trustee in accordance with Section 8.02 of the Trust Agreement.

Section 7.08. Preservation of Existence**.** The District will preserve and maintain its existence, rights, and franchises under the laws of the State of California.

Section 7.09. Defaulted Notes**.** The District shall cause the Trustee to hold all of its Defaulted Notes in the name of the Bank for the benefit of the Bank and (to the extent such Notes are not covered by the Letter of Credit) for the benefit of the Certificate owners and cause the Trustee to apply any recovery from the District pro rata between the Bank and the Certificate owners in accordance with the terms of the Trust Agreement.

Section 7.10. Security for Notes**.** The District has, pursuant to its Resolution, pledged, as security for its Note, subject to the payment priority provisions of Sections 8 and 17 of its Resolution, certain unrestricted revenues (as defined in the Resolution) which are received by the District for its general fund and are attributable to the Fiscal Year 2020-2021, and the principal of the Note and the interest thereon shall constitute a first lien and charge on such revenues and shall be payable from the first money received by the District from such pledged revenues and, to the extent not so paid, shall be paid from any other taxes, income, revenue, cash receipts, and other moneys of the District lawfully available therefor, subject to the payment priority provisions of Sections 8 and 17 of its Resolution. The District has agreed to the establishment and maintenance of a "Payment Account" as a special fund of the District by the Trustee under the Trust Agreement as the responsible agent to maintain such fund until the payment of the principal of the Note and the interest thereon, and the District has agreed, subject to the payment priority provisions of Sections 8 and 17 of its Resolution, to cause to be deposited directly therein the first amounts received in the periods specified as "Repayment Periods" until the amount on deposit in such fund

is equal in the respective Repayment Periods to the percentage of the principal of and interest due on the Note at maturity specified with respect to such Repayment Period.

ARTICLE VIII

NEGATIVE COVENANTS

From the Date of Issuance and until the termination of this Agreement and payment in full to the Bank of all amounts payable hereunder, each District hereby individually covenants and agrees that, without the prior written consent of the Bank:

Section 8.01. **Note Documents.** The District will not directly or indirectly amend, supplement, terminate, or waive, or consent to any amendment, supplement, termination, or waiver of, any of the provisions of any Note Document to which it is a party or enter into or consent to any new Note Documents, unless the Bank shall have previously approved in writing the form and substance of such new Note Document or such amendment, supplement, termination, waiver or consent.

Section 8.02. Maintenance of Tax-Exempt Status of Notes**.** The District will not take any action or omit to take any action that, if taken or omitted, would adversely affect the exclusion of interest on the Notes from gross income for Federal income tax purposes.

Section 8.03. Liquidation**.** The District will not terminate, wind up, liquidate, or dissolve its affairs.

Section 8.04. Merger**.** The District will not consolidate or merge with or into any other Person, unless:

(a) neither the validity nor the enforceability of this Agreement nor the exclusion of interest on the Notes from gross income for federal income tax purposes shall be adversely affected thereby; and

(b) such merger or consolidation shall be with or into another local agency within the meaning of California Government Code Section 53850, which shall assume in writing or by operation of law the due and punctual performance and observance of all covenants, agreements and conditions of the District under the Note Documents and this Agreement.

At least thirty (30) days before the consummation of any such consolidation or merger, the District shall give notice thereof in reasonable detail to the Bank. The District promptly shall furnish such additional information with respect to any such consolidation or merger as the Bank shall request and, if the Bank shall so request, an opinion of counsel satisfactory to the Bank, in form and substance satisfactory to the Bank, as to the matters set forth in paragraphs (a) and (b) of this Section 8.04 and as to such other matters as the Bank shall reasonably request.

Section 8.05. Encumbrances**.** Without the written consent of the Bank, the District will not create any encumbrance which either directly or indirectly creates any adverse effect on the assets and revenues on which the Bank or the Trustee have a lien pursuant to the Resolutions.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01. Events of Default**.** Each of the following events shall constitute an Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary, or within or without the control of any District or all of the Districts, or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule, or regulation of any governmental or non-governmental body:

(a) the occurrence and continuance of an "Event of Default" under the Trust Agreement or any other Note Document; or

(b) the failure of any District to pay when due the principal of or interest on any Note; or

(c) the failure of any District to pay any amount when due under this Credit Agreement; or

(d) the failure of any District to perform or observe any covenant set forth in Article VIII hereof; or

(e) the failure of any District to perform or observe any other term, covenant, or agreement contained in this Agreement or any of the Note Documents to which it is a party not specified in paragraphs (a) through (d) above, if such failure shall continue for a period of fifteen (15) calendar days after written notice thereof by the Bank to the applicable District; or

(f) any warranty, representation, or other written statement made by or on behalf of any District contained herein or in any of the Note Documents or in any instrument furnished in compliance with or in reference to any of the foregoing, is false or misleading in any material respect when made; or

(g) any material provision of this Agreement or any of the Note Documents to which any District is a party shall at any time for any reason cease to be valid and binding in accordance with its terms on the District, or shall be declared to be null and void, or the validity or enforceability hereof shall be contested by the District or a proceeding shall be commenced by the District seeking to establish the invalidity or unenforceability hereof or thereof, or any District shall deny that it has any further liability or obligation hereunder or thereunder.

Section 9.02. Remedies**.** Upon the occurrence of an Event of Default, and notice thereof to the Trustee, the Bank may, in its sole discretion, but shall not be obligated to, exercise all or any of its rights and remedies as it may otherwise have under Applicable Law and under any Note Document.

No failure or delay on the part of the Bank to exercise any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy hereunder preclude any further exercise thereof or the exercise of any further right or remedy hereunder.

ARTICLE X

INDEMNIFICATION

Section 10.01. Indemnification**.** In addition to any other amounts payable by each District under this Agreement, subject to the provisions of Section 12.12 hereof, each District, to the extent permitted by law, hereby agrees to protect, indemnify, pay, and save harmless the Bank and its officers, directors, affiliates, attorneys, and agents (the "Indemnified Parties") from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable attorneys' fees, including allocated costs of in-house counsel) that the Indemnified Party may incur or be subject to (other than as a result, and to the extent, of gross negligence or willful misconduct on the part of the Indemnified Party), as determined by a final and unappealable judgment of a court of competent jurisdiction as a consequence, directly or indirectly, of (i) the issuance of the Letter of Credit, (ii) any breach by such District or any other Person (except another District) of any warranty, covenant, term, or condition in, or the occurrence of any default under, this Agreement or the Note Document to which it is a party, including all reasonable fees or expenses resulting from the settlement or defense of any claims or liabilities arising as a result of any such breach or default, and (iii) involvement in any legal suit, investigation, proceeding, inquiry, or action as to which the Indemnified Party is involved as a consequence, directly or indirectly, of its issuance of the Letter of Credit, its execution of this Agreement, or any other event or transaction contemplated by any of the foregoing. The Indemnified Party shall give written notice to the Trustee (to be sent by the Trustee to the Districts) of any amounts to which the Indemnified Party is entitled to reimbursement or indemnification under this Section 10.01 (which notice may include amounts that have either been paid by the Indemnified Party or have been billed to the Indemnified Party and are due and payable not later than thirty (30) days after the delivery of such notice and which shall state, if practicable, any amount which is allocable to a specific District), and each District shall pay its share of such amounts to the Indemnified Party in accordance with Section 3.04 hereof. In furtherance and not in limitation hereof, the Indemnified Party may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary. Nothing in this Article X is intended to limit the obligations of the Districts contained in Section 5.01 hereof. The obligations of the Districts under this Article X shall survive the termination of this Agreement.

ARTICLE XI

NATURE OF BANK'S DUTIES

Section 11.01. Nature of Bank's Duties**.** The Districts, by adoption of their respective Resolutions, thereby assume all risks of the acts, omissions, or misuse of the Letter of Credit by the Trustee or any successor thereto; and in connection therewith, the Bank shall not be responsible: (i) for the form, validity, sufficiency, accuracy, genuineness, or legal effect of any document submitted in connection with the application for and issuance of, or the making of a Drawing under, the Letter of Credit or any certification or attestation of default, nonperformance, noncompliance, nonpayment, or any other statement in any document submitted to the Bank, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent, or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign the Letter of Credit or the rights or benefits thereunder or proceeds thereof, in

whole or in part, that may prove to be invalid or ineffective for any reason; (iii) for failure of the Trustee to comply fully with all conditions required in order to effect a Drawing; (iv) for errors, omissions, interruptions, or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, telecopier, or otherwise; (v) for any loss or delay in the transmission or otherwise of any document or draft required in order to make a Drawing; (vi) for any act or failure to act of the Bank's agent or correspondent including, but not limited to, failure to pay because of any law, decree, regulations, ruling, or interpretation of any governmental agency; (vii) for any investigation of any question of fact or law in connection with any document submitted to the Bank; (viii) for the existence, form, sufficiency, performance, or legal effect of any contract or other document referred to in the letter of credit or this Credit Agreement; (ix) for any inquiry into the existence of any disputes or controversies between the District, the beneficiary, or any other person, firm, or corporation or the rights, duties, or liabilities of any of them; (x) for the acceptance and reliance upon the name, signature, or act of any party who is or purports to be the executor, administrator, receiver, trustee in bankruptcy, or other legal representative of the District or the Trustee in lieu of the name, signature, or act of such party; and (xi) for any consequences arising from causes beyond the control of the Bank, except that the Districts shall have a claim against the Bank, and the Bank shall be liable to the Districts, to the extent of any damages suffered by the Districts (but limited to direct damages, as distinguished from consequential damages) that were caused by the Bank's willful misconduct or gross negligence in (a) determining whether documents presented under the Letter of Credit comply with the terms of the Letter of Credit, or (b) the Bank's failure to pay under the Letter of Credit in accordance with its terms after the presentation to it by the Trustee (or a successor Trustee to whom the Letter of Credit has been transferred in accordance with its terms) of a sight draft and certificate strictly complying with the terms and conditions of the Letter of Credit. In furtherance and not in limitation hereof, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary. None of the above shall affect, impair, or prevent the vesting of any of the Bank's rights or powers hereunder. The Bank hereby agrees that all payments of amounts drawn under the Letter of Credit shall be made with the Bank's own funds.

In furtherance and extension and not in limitation of the specific provisions hereinabove set forth, any action taken or omitted by the Bank, under or in connection with the Letter of Credit or any related certificates or other documents, if taken or omitted in good faith (absent gross negligence or willful misconduct of the Bank), shall be binding upon the Districts and the Trustee and shall not put the Bank under any resulting liability to any of them except as expressly set forth in the Letter of Credit.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Waivers, Amendments**.** This Agreement may be amended only by a written instrument duly executed by each of the parties hereto. The Districts may take any action herein prohibited or omit to perform any act herein required to be performed by them, only if the Districts shall first obtain the written consent of the Bank thereto. No course of dealing between the Districts and the Bank, nor any failure or delay in exercising any rights or powers hereunder, shall operate as a waiver of any rights of the Bank hereunder, nor shall any single or partial exercise of

any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. Unless otherwise specified in such waiver or consent, a waiver or consent given hereunder shall be effective only in the specific instance and for the specific purpose for which given.

Section 12.02. Survival of Representations and Warranties**.** All statements contained in any Note Document or in any certificate, financial statement, or other instrument delivered by or on behalf of the Districts pursuant to or in connection with this Agreement (including but not limited to any such statement made in or in connection with any amendment hereto or thereto) shall constitute representations and warranties made under this Agreement. All representations and warranties made under this Agreement (i) shall be made and shall be true at and as of the date of this Agreement, the Date of Issuance, and the date of each Drawing under the Letter of Credit and (ii) shall survive the execution and delivery of this Agreement, regardless of any investigation made by the Bank or on its behalf.

Section 12.03. Expenses**.** In addition to any other amounts payable by the Districts under this Agreement, each District agrees to pay on the Date of Issuance its share of all costs and expenses of the Bank including, without limitation, the reasonable fees and expenses of counsel for the Bank, including without limitation allocated costs of in-house counsel, in connection with the preparation, issuance, or delivery, as the case may be, of the Letter of Credit, this Agreement, the Note Documents, and any other documents that may be delivered in connection with any of the foregoing. In addition, subject to the provisions of Section 12.12 hereof, each District agrees to pay promptly its share of all costs and expenses of the Bank (including reasonable counsel fees and expenses, including without limitation allocated costs of in-house counsel) in connection with (i) the filing, recording, administration, transfer, amendment, maintenance, renewal, or cancellation of the Letter of Credit, this Agreement, the Note Documents, or any other document that the Bank or its counsel reasonably determines that it must review in connection with this Agreement, (ii) any payment by the Bank under the Letter of Credit (without duplication or enlargement of any of the Districts' obligations under Section 3.01 hereof) or (iii) any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of the Letter of Credit, this Agreement or the Note Documents, including any interest, additions to tax, or penalties applicable thereto, and any other documents which may be delivered in connection with this Agreement. In addition, subject to the provisions of Section 12.12 hereof, each District agrees to pay promptly its share of all costs and expenses of the Bank for (i) any and all amounts that the Bank has paid relative to the Bank's curing of any Event of Default under this Agreement or any default under any of the Note Documents to which such District is a party, (ii) the enforcement of this Agreement or any of the Note Documents to which such District is a party or (iii) any action or proceeding relating to a court order, injunction, or other process or decree restraining or seeking to restrain the Bank from paying any amount under the Letter of Credit. Each District also agrees to indemnify the Bank with respect to any and all liabilities with respect to or resulting from any delay in paying or omission to pay any taxes and fees to the extent that such District is obligated to pay the same under this Section 12.03. The Bank shall give written notice to the Districts of any amounts as to which the Bank is entitled to reimbursement or indemnification under this Section 12.03 (which notice may include amounts that have either been paid by the Bank or have been billed to the Bank and are due and payable not later than thirty (30) days after the delivery of such notice and which

shall state, if practicable, any amount which is allocable to a specific District), and the Districts shall pay such amounts to the Bank in accordance with Section 3.04 hereof.

Section 12.04. Notices**.** All notices, requests and other communications provided for hereunder shall be in electronic, telephonic, or written (including bank wire, telegram, telecopier, telex, or similar writing) form and shall be given to the party to whom sent, addressed to it, at its address or other address or telephone, telecopier, or telex number as such party may hereafter specify for the purpose by notice to the other parties set forth below. Each such notice, request, or communication shall be effective (i) if given by telephone, telex, telecopier, or other electronic means, when such communication is transmitted to the address specified below and any appropriate answerback is received, (ii) if given by mail, three (3) Business Days after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, (iii) if given by any other means, when delivered at the address specified below:

(a) if to the Authority:

California School Cash Reserve
Program Authority
c/o Moorpark Unified School District
5297 Maureen Lane
Moorpark, California 93021
Telephone: (805) 378-6300
Telefax No.: (805) 531-6456

(b) if to the Bank:

[Credit Provider]
Mail Code _____
_____
_____
Attention: _____
Telephone No.: (___) ___-___
Telefax No.: (___) ___-___

(c) if to the Trustee:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust
Telephone No.: (213) 615-6052
Telefax No.: (213) 615-6199

(d) if to the Districts

at the addresses set forth on
Schedule I attached hereto

or (iv) in any of the foregoing cases, at such other address or telex, bank wire, or telephone number as the addressee may hereafter specify for the purpose in a notice to the other party specifically captioned "Notice of Change of Address pursuant to Section 12.04 of the Credit Agreement."

Section 12.05. Continuing Obligation**.** This Agreement is a continuing obligation of the Districts and shall until the later of the Termination Date or the date upon which all amounts due and owing to the Bank hereunder shall have been paid in full, (a) be binding upon the Districts and their successors and assigns, and (b) inure to the benefit of and be enforceable by the Bank and its successors, transferees and assigns; provided, that the Districts may not assign all or any part of this Agreement without the prior written consent of the Bank.

Section 12.06. Participation**.** The Bank may participate to other banking or financial institutions of the Bank's choosing all or any portion of its obligations under the Letter of Credit and of the obligations of the Districts hereunder and under the Defaulted Notes. The Bank may also sell risk participations in this Agreement and in the obligations of the Districts hereunder to other financial institutions of the Bank's choosing. The Bank has no obligation to disclose the participation of such other institution. In calculating any additional amounts owing to the Bank under Section 2.03 hereof, any participation or risk participation referred to in this Section 12.06 shall be disregarded as if there had been no participation. The Districts shall not enter into any reimbursement or other similar agreement with any such other institution with respect to the Letter of Credit or this Agreement. The foregoing notwithstanding, no such participation by the Bank shall in any way affect any of the obligations of the Bank under the Letter of Credit, and the Districts shall have no obligation to deal in any manner with any such participant.

Section 12.07. Satisfaction Requirement**.** If any agreement, certificate, or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to the Bank, the determination of such satisfaction shall be made by the Bank in its sole and exclusive judgment exercised in good faith.

Section 12.08. Governing Law**.** This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of California, except to the extent superseded by federal law. The Letter of Credit shall be construed and enforced in accordance with, and the rights of the parties thereto shall be governed by, the laws of the State of California and ISP98 (as defined and to the extent provided in the Letter of Credit).

Section 12.09. Counterparts**.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

Section 12.10. Severability**.** Any provision of this Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability, or non-authorization without invalidating the remaining provisions hereof or affecting the validity or enforceability or non-authorization of such provision in any other jurisdiction and the remaining portion of such provision and all other remaining provisions will be construed to render them enforceable to the fullest extent.

Section 12.11. Headings**.** Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 12.12. Entire Agreement; No Agency**.** This Agreement and the other documents referred to herein contain the entire agreement between the Bank and the Districts with respect to the subject matter hereof, superseding all previous communications and negotiations, and no representation, undertaking, promise, or condition concerning the subject matter hereof shall be binding upon the Bank unless clearly expressed in this Agreement or in the other documents referred to herein. Nothing in this Agreement or in the other documents referred to herein and no action taken pursuant hereto shall cause any District to be treated as an agent of the Bank, or shall be deemed to constitute the Bank and any District a partnership, association, joint venture, or other entity.

Section 12.13. No Third Party Benefit**.** This Agreement is solely for the benefit of the parties hereto and their permitted successors and assigns. No other person or entity shall have any rights under, or because of the existence of, this Agreement.

Section 12.14. Consent to Venue. **To the extent permitted by law, each District hereby consents to the venue in the superior court in San Francisco County, California, and waives any objection based on lack of personal jurisdiction, improper venue or forum non conveniens, with regard to any actions, claims, disputes or proceedings relating to this Agreement, the Letter of Credit, or any other document delivered hereunder or in connection herewith, or any transaction arising from or connected to any of the foregoing. The District waives personal service of any and all process upon it, and consents to all such service of process made by mail or by messenger directed to it at the address specified below.** Nothing herein shall affect the Bank's right to serve process in any manner permitted by law, or limit the Bank's right to bring proceedings against the District or its property or assets in the competent courts of any other jurisdiction or jurisdictions.

The District acknowledges, for the purposes of California Code of Civil Procedure Section 395 (a), that the District has contracted to perform an obligation in San Francisco County by making payment of its Note through the Trustee's offices in San Francisco County, that the Note was in fact entered into in San Francisco County by its physical delivery at its issuance, and that this Agreement is a special contract in writing. The District represents that the consent and acknowledgement contained in this section 12.14 are knowingly, willingly, and voluntarily given.

Section 12.15. Waiver of Jury Trial**.** To the extent permitted by law, the District and the Bank hereby jointly and severally waive any and all right to trial by jury in any action or proceeding relating to this Agreement, the Letter of Credit, or any of the Note Documents, or any other document delivered hereunder or in connection herewith, or any transaction arising from or connected to any of the foregoing. The District and the Bank each represent that this waiver is knowingly, willingly, and voluntarily given.

Section 12.16. Limitation of Liability**.** Notwithstanding anything to the contrary herein or in any Note or document referred to herein, no District shall incur any obligation under this Agreement, including, without limitation, under Article III, Section 10.01, or Section 12.03 hereof, on account of any default, action, or omission of any other District.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and delivered by their respective duly authorized officers as of the date hereof.

[CREDIT PROVIDER]

By_____

SCHEDULE I

PARTICIPATING DISTRICTS

EXHIBIT A
TO CREDIT AGREEMENT

IRREVOCABLE LETTER OF CREDIT

No. _____

_____, 20__

To: U.S. Bank National Association, as trustee
633 West Fifth Street, 24th Floor
Los Angeles, California 90071

Re: California School Cash Reserve Program Certificates of Participation (2020-2021 TRANS) Series [__]___

Ladies and Gentlemen:

We hereby establish at the request and for the account of the Districts who are signatories to that certain Credit Agreement defined below (collectively, the "Borrower"), our Irrevocable Letter of Credit in the maximum aggregate amount of $_____ in your favor as Trustee for the owners of the California School Cash Reserve Program Certificates of Participation (2020-2021 TRANS) Series [__] (the "Certificates") evidencing undivided fractional interests in the Tax and Revenue Anticipation Notes (the "Notes") issued by each of the Districts (defined below) pursuant to the Trust Agreement (the "Trust Agreement") dated as of _____ 1, 20__, between you as Trustee and the Borrower. The Districts are those set forth in Schedule I to the Credit Agreement dated as of _____ 1, 20__ by and between the Borrower and us. This Letter of Credit is effective immediately and expires at the close of banking business at our commercial banking office in _____, _____ on _____ __, 20__ (the "Termination Date"), unless sooner terminated pursuant to the terms hereof.

We hereby irrevocably authorize you to draw on us, in an aggregate amount not to exceed the amount of this Letter of Credit as set forth above and in accordance with the terms and conditions and subject to the reductions in amount as hereinafter set forth, in one or two drawings by your draft, drawn on our commercial banking office in _____, _____, payable at sight on a banking day, and accompanied by your written and completed certificate signed by you in substantially the form of Annex A attached hereto with respect to the payment of accrued and unpaid interest on the Certificates to _____ __, 20__ (such draft accompanied by such certificate being your "A Drawing"), an amount not exceeding $_____ or accompanied by your written and completed certificate signed by you in substantially the form of Annex B attached hereto with respect to the payment of principal on the Certificates plus accrued and unpaid interest on the Certificates from _____ 1, 20__ to the date of redemption (such draft accompanied by such certificate being your "B Drawing"), an amount not exceeding the remainder of $_____ less the amount of any "A Drawing".

Funds under this Letter of Credit are available to you against your A Drawing or your B Drawing stating on its face: "Drawn under Irrevocable Letter of Credit No. _____ issued by [Credit Provider], _____, _____, _____" and accompanied by your written and completed certificate signed by you in substantially the form of Annex A or Annex B attached hereto. The drawing and certificate shall be dated the date of its presentation and shall be presented at the office referred to above (or at any other office which may be designated by us by written notice delivered to you) on or before 11:00 a.m. California time on the day (which shall be a business day) of our making funds available to you hereunder. If we receive your drawing and certificate at such office, all in strict conformity with the terms and conditions of this Letter of Credit, not later than 11:00 a.m. California time on a business day prior to the termination hereof, we will honor the same prior to 1:30 p.m. California time, on the same business day in accordance with your payment instructions. If we receive your drawing and certificate at such office, all in strict conformity with the terms and conditions of this Letter of Credit, after 11:00 a.m. California time on a business day prior to the termination hereof, payment shall be made to you on the next succeeding business day (not later than 12:00 noon, California time) in accordance with your payment instructions. As used herein, a "business day" means any day except Saturday, Sunday, or any day on which banks located in the city of San Francisco, California, are required or authorized to remain closed.

All payments made by us under this Letter of Credit will be made in immediately available funds and will be disbursed from our own funds. If requested by you, payment under this Letter of Credit may be made by wire transfer of the Federal Reserve Bank of San Francisco funds to your account in a bank on the Federal Reserve wire system.

This Letter of Credit shall expire at our close of business in San Francisco, California, on the earliest to occur of the following dates:

A. the Termination Date;

B. the date on which you make your B Drawing;

C. the date you surrender this Letter of Credit to us for cancellation.

This Letter of Credit is transferable in its entirety (but not in part) to any transferee who you certify to us has succeeded you as Trustee under the Trust Agreement, and may be successively transferred. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a certificate in substantially the form of Annex C attached hereto. Upon such presentation we shall forthwith transfer the same to your transferee or, if so requested by your transferee, issue a letter of credit to your transferee with provisions therein consistent with this Letter of Credit.

Drawings to be presented hereunder may be presented by telecommunications and the Bank shall be entitled to rely thereon as if such drawings were presented in person, provided such drawings, including the required Annexes, are in conformance with the requirements for the same as set forth herein, but for the requirement of an original signature, with original executed drawing(s) and certificate(s) to follow immediately thereafter.

This Letter of Credit is subject to the [International Standby Practices (1998 Edition), International Chamber of Commerce, Publication No. 590 ("ISP98")]. As to matters not covered by [ISP98], this Letter of Credit shall be governed by and construed in accordance with the laws of the State of California, including but not limited to, the Uniform Commercial Code of that State.

This Letter of Credit sets forth in full our undertaking. This undertaking may not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to in this Letter of Credit (including, without limitation, the Certificates), except the certificates and Drafts referred to in this Letter of Credit. Any such reference shall not be deemed to incorporate any document, instrument or agreement except for such certificates and sight drafts.

Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at [Credit Provider], _____, _____, _____, Attention: Standby Letter of Credit Department, specifically referring to the number of this Letter of Credit.

[CREDIT PROVIDER]

By: _____

ANNEX A

TRUSTEE'S CERTIFICATE - A DRAWING

[Credit Provider]

_____

_____, _____ _____

Attention: Standby Letter of Credit Department

Re: Irrevocable Letter of Credit No. _____

The undersigned, a duly authorized officer of U.S. Bank National Association in its capacity as trustee (the "Trustee") hereby certifies to [Credit Provider] (the "Bank") with reference to the Irrevocable Letter of Credit referred to above (the "Letter of Credit") issued in favor of Trustee that:

(1) The Trustee is the Trustee under the Trust Agreement for the owners of the Certificates.

(2) The Trustee is making a drawing in the amount of $_____ under the Letter of Credit with respect to the payment of accrued and unpaid interest on the Certificates pursuant to Section 5.03 of the Trust Agreement to _____ __, 20__.

(3) The amount of the drawing was computed in compliance with the terms and conditions of the Trust Agreement and does not exceed the amount available to be drawn under the Letter of Credit.

(4) The Trustee was not prior to the date of this drawing required to surrender the Letter of Credit to the Bank for cancellation in accordance with the terms of the Trust Agreement.

Any capitalized term used in this certificate and not defined shall have its respective meaning as set forth in the Letter of Credit.

The Trustee has executed and delivered this Certificate on _____ __, 20__.

U.S. Bank National Association,
as trustee

By: _____

Title: _____

ANNEX B

TRUSTEE'S CERTIFICATE - B DRAWING

[Credit Provider]

_____

_____, _____ _____

Attention: Standby Letter of Credit Department

Re: Irrevocable Letter of Credit No. _____

The undersigned, a duly authorized officer of U.S. Bank National Association in its capacity as trustee (the "Trustee") hereby certifies to [Credit Provider] (the "Bank") with reference to the Irrevocable Letter of Credit referred to above (the "Letter of Credit") issued in favor of Trustee that:

(1) The Trustee is the Trustee under the Trust Agreement for the owners of the Certificates.

(2) The Trustee is making a drawing in the amount of $_____ under the Letter of Credit with respect to the payment of principal on Certificates pursuant to Section 5.03 of the Trust Agreement plus accrued and unpaid interest on the Certificates from _____, 20__ to the date of redemption.

(3) The amount of the drawing was computed in compliance with the terms and conditions of the Trust Agreement and, when added to the amount of any other drawing under the Letter of Credit, does not exceed the amount available to be drawn under the Letter of Credit.

(4) The Trustee was not prior to the date of this drawing required to surrender the Letter of Credit to the Bank for cancellation in accordance with the terms of the Trust Agreement.

Any capitalized term used in this certificate and not defined shall have its respective meaning as set forth in the Letter of Credit.

The Trustee has executed and delivered this Certificate on _____ __, 20__.

U.S. Bank National Association,
as trustee

By: _____

Title: _____

ANNEX C

FORM OF TRANSFER INSTRUCTION

[Credit Provider]

_____

_____, _____ _____

Attention: Standby Letter of Credit Department

Re: Irrevocable Letter of Credit No. _____

Ladies and Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to: _____ _____ all rights of the undersigned beneficiary to draw under the above-referenced Letter of Credit. The transferee has succeeded or is in the process of succeeding to the undersigned as Trustee under the Trust Agreement referred to in the Letter of Credit.

By this transfer, all rights of the undersigned in the Letter of Credit are transferred to the transferee and the transferee shall have the sole rights as its beneficiary, including sole rights relating to any amendments, whether increases or extensions or other amendments and whether now existing or hereafter made; provided, however, that no rights shall be deemed to have been transferred to the transferee until such transfer complies with the requirements of the Credit Agreement pertaining to transfers.

The Letter of Credit is returned herewith, and in accordance therewith, we ask that this transfer be effective and that you transfer the Letter of Credit to our transferee or that, if so requested by the transferee, you issue a new irrevocable letter of credit in favor of the transferee with provisions consistent with this Letter of Credit.

Yours very truly,

SIGNATURE AUTHENTICATED

_____ _____

(Bank) Signature of New Beneficiary
as predecessor Trustee

_____

(Authorized Signature)

SIGNATURE PAGE OF DISTRICT

The undersigned has read the Credit Agreement dated as of _____ 1, 20__ among the California School Districts, Community College Districts, and County Boards of Education named on Schedule I attached thereto and [Credit Provider], which pertains to the California School Cash Reserve Program, Certificates of Participation (2020-2021 TRANS) Series [__]. The undersigned has caused this Signature Page to be signed in its name by its duly authorized representative, to evidence its election to become a party to the Credit Agreement and its agreement to be bound by the terms of the Credit Agreement.

_____ SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

RESOLUTION CERTIFICATE

I, Sean McPhetridge, Secretary of the Governing Board of Cabrillo Unified School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of the Cabrillo Unified School District duly and regularly held at the regular meeting place thereof on the 14th day of May, 2020, of which meeting all of the members of said Governing Board had due notice and at which a majority thereof were present; and at said meeting said resolution was adopted by the following vote:

Mary Beth Alexander:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Lizet Cortes:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Kimberly Hines:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Sophia Layne:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Freya McCamant:	_____	Aye	_____	No	_____	Abstain	_____ Absent

An agenda of said meeting was posted at least 72 hours before said meeting at 498 Kelly Avenue, Half Moon Bay, California a, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect. The Maximum Amount of Borrowing specified in the foregoing resolution is $15,000,000.

Dated: May 14, 2020

_____

Sean McPhetridge
Secretary of the Governing Board
of Cabrillo Unified School District

RESOLUTION CERTIFICATE

I, Sean McPhetridge, Secretary of the Governing Board of Cabrillo Unified School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of the Cabrillo Unified School District duly and regularly held at the regular meeting place thereof on the 14th day of May, 2020, of which meeting all of the members of said Governing Board had due notice and at which a majority thereof were present; and at said meeting said resolution was adopted by the following vote:

Mary Beth Alexander:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Lizet Cortes:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Kimberly Hines:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Sophia Layne:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Freya McCamant:	_____	Aye	_____	No	_____	Abstain	_____ Absent

An agenda of said meeting was posted at least 72 hours before said meeting at 498 Kelly Avenue, Half Moon Bay, California a, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect. The Maximum Amount of Borrowing specified in the foregoing resolution is $15,000,000.

Dated: May 14, 2020

_____

Sean McPhetridge
Secretary of the Governing Board
of Cabrillo Unified School District

RESOLUTION CERTIFICATE

I, Sean McPhetridge, Secretary of the Governing Board of Cabrillo Unified School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of the Cabrillo Unified School District duly and regularly held at the regular meeting place thereof on the 14th day of May, 2020, of which meeting all of the members of said Governing Board had due notice and at which a majority thereof were present; and at said meeting said resolution was adopted by the following vote:

Mary Beth Alexander:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Lizet Cortes:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Kimberly Hines:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Sophia Layne:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Freya McCamant:	_____	Aye	_____	No	_____	Abstain	_____ Absent

An agenda of said meeting was posted at least 72 hours before said meeting at 498 Kelly Avenue, Half Moon Bay, California a, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect. The Maximum Amount of Borrowing specified in the foregoing resolution is $15,000,000.

Dated: May 14, 2020

_____

Sean McPhetridge
Secretary of the Governing Board
of Cabrillo Unified School District

RESOLUTION CERTIFICATE

I, Sean McPhetridge, Secretary of the Governing Board of Cabrillo Unified School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of the Cabrillo Unified School District duly and regularly held at the regular meeting place thereof on the 14th day of May, 2020, of which meeting all of the members of said Governing Board had due notice and at which a majority thereof were present; and at said meeting said resolution was adopted by the following vote:

Mary Beth Alexander:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Lizet Cortes:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Kimberly Hines:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Sophia Layne:	_____	Aye	_____	No	_____	Abstain	_____ Absent
Freya McCamant:	_____	Aye	_____	No	_____	Abstain	_____ Absent

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Dated: May 14, 2020

_____

Sean McPhetridge
Secretary of the Governing Board
of Cabrillo Unified School District

IN WITNESS WHEREOF, the governing board of the District has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the District and countersigned by the manual or facsimile signature of its duly authorized officer as of the date of authentication set forth below.

Cabrillo Unified School District

By_____
Kimberly Hines
Title: President

[(SEAL)]

Countersigned

By_____
Sean McPhetridge
Title: Superintendent

IN WITNESS WHEREOF, the governing board of the District has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the District and countersigned by the manual or facsimile signature of its duly authorized officer as of the date of authentication set forth below.

Cabrillo Unified School District

By_____
Kimberly Hines
Title: President

[(SEAL)]

Countersigned

By_____
Sean McPhetridge
Title: Superintendent

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Cabrillo Unified School District

By_____
Kimberly Hines
Title: President

[(SEAL)]

Countersigned

By_____
Sean McPhetridge
Title: Superintendent

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Cabrillo Unified School District

By_____
Kimberly Hines
Title: President

[(SEAL)]

Countersigned

By_____
Sean McPhetridge
Title: Superintendent

4.5 The following named persons are duly elected (or appointed), qualified and acting officers of the District presently holding the offices set forth opposite their respective names below and by execution hereof each certifies that the signatures of the other officers hereto are the genuine signatures of such officers (signatures of the officers executing the Note, the other Documents (as defined herein), Internal Revenue Service Form 8038-G and the Secretary's Certificate attached to the Resolution must appear below):

NAME	OFFICE	SIGNATURE
Kimberly Hines	President	
Sean McPhetridge	Superintendent / Board Secretary	
Jesus Contreras	Chief Business Official	

4.5 The following named persons are duly elected (or appointed), qualified and acting officers of the District presently holding the offices set forth opposite their respective names below and by execution hereof each certifies that the signatures of the other officers hereto are the genuine signatures of such officers (signatures of the officers executing the Note, the other Documents (as defined herein), Internal Revenue Service Form 8038-G and the Secretary's Certificate attached to the Resolution must appear below):

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NAME	OFFICE	SIGNATURE
Kimberly Hines	President	
Sean McPhetridge	Superintendent / Board Secretary	
Jesus Contreras	Chief Business Official	

District: Cabrillo Unified School District

Address: 498 Kelly Avenue

Half Moon Bay, CA 94019

County: San Mateo

Executed and entered into on the Purchase Date set forth in Schedule I attached hereto and incorporated herein.

Cabrillo Unified School District

By _____

Name: Jesus Contreras
Title: Chief Business Official

District: Cabrillo Unified School District

Address: 498 Kelly Avenue

Half Moon Bay, CA 94019

County: San Mateo

Executed and entered into on the Purchase Date set forth in Schedule I attached hereto and incorporated herein.

Cabrillo Unified School District

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Address: 498 Kelly Avenue

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