



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 7.1

Meeting Date: December 10, 2020

Subject: Resolution No. 3177: Authorizing District Participation in the California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals) Through the Issuance and Sale of One or More Series of Fiscal Year 2020-21 Tax and Revenue Anticipation Notes and Requesting the Board of Supervisors of the County to Waive/Decline Such Issuance by the County or Issue and Sell Said Series of Notes

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading
- Conference/Action
- Action
- Public Hearing

Division: Business Services

Recommendation: Adopt Resolution No. 3177 Authorizing District Participation in the California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals) Through the Issuance and Sale of One or More Series of Fiscal Year 2020-21 Tax and Revenue Anticipation Notes and Requesting the Board of Supervisors of the County to Waive/Decline Such Issuance by the County or Issue and Sell Said Series of Notes. The resolution authorizes the issuance of the Notes by the District in an amount not-to-exceed Ninety Six Million Dollars (\$96,000,000).

Background/Rationale In order to offset the fiscal impact of COVID-19, the State's fiscal year 2020-21 Adopted Budget deferred approximately \$12.9 billion in aid to school districts, community college districts and county offices of education expected to be paid in 2020-21 to 2021-22.

The District will require cash flow assistance from the deferral by the State of principal apportionments due to the District in the months of February, 2021 through and including June, 2021 to the months of July, 2021 through November, 2021.

Financial Considerations: The Series of Notes are being issued to provide cash flow relief from the deferral by the State of principal apportionments due to the District in the months of February, 2021 through and including June, 2021 to the months of July, 2021 through and including November, 2021. The Resolution establishes the maximum aggregate principal amount of the District TRANS to be issued (\$96,000,000).

LCAP Goal(s): Family and Community Engagement; Operational Excellence

Documents Attached:

1. Executive Summary
2. Resolution No. 3177
3. District Note Purchase Agreement
4. Indenture State Aid Intercept Notes

Estimated Time of Presentation: 10 minute presentation

Submitted by: Rose Ramos, Chief Business Officer

Approved by: Jorge A. Aguilar, Superintendent

Board of Education Executive Summary

Business Services

Tax Revenue Anticipation Note (TRAN)

December 10, 2020

I. OVERVIEW/HISTORY:

In order to offset the fiscal impact of COVID-19, the State's 2020-21 Adopted Budget deferred \$12.9 billion in aid to school districts, community colleges and offices of education ("LEAs") expected to be paid in 2020-21 to 2021-22. In response to this, California State Treasurer Fiona Ma has created a new Statewide working capital financing program to help LEAs manage the financial impacts of the deferrals. The California School Finance Authority ("CSFA" or the "Authority") was created in 1985 to aid LEAs by providing access to financing for working capital and capital improvements. The goal of the CSFA State Aid Intercept Notes is to provide LEA's with a streamlined and secure process that minimizes the impact of the deferrals on their operations.

The District currently projects that it will experience a cash flow shortfall during fiscal year 2020-21 created by timing differences between its anticipated expenditures and estimated receipt of revenues. The Resolution being presented to the Governing Board authorizes a short-term borrowing by the District to address this cash flow shortfall through the issuance of tax and revenue anticipation notes ("TRANs" or "Notes") through the CSFA State Aid Intercept Notes Program.

(a) **District Resolution.** The resolution authorizes the issuance of the Notes by the District in an amount not-to-exceed Ninety Six Million Dollars (\$96,000,000), specifies certain basic terms, parameters and form of the District Notes, and approves the form of the Note Purchase Agreement and Indenture described below. In particular, the Resolution establishes the maximum aggregate principal amount of the District TRANs to be issued (\$96,000,000). The Resolution describes the State Aid Intercept procedure to assist with repayment of the District Notes, the determination of repayment periods, certain representations and covenants of the District, and the District's Pledged Revenues. Pursuant to the resolution, the District requests that the County Board of Supervisors notify the District within 45 calendar days following receipt of the certified copy of the Resolution, that the District may issue the District Notes on its own behalf, so that the District can participate in the CSFA State Aid Intercept Notes Program.

(b) Form of **Indenture.** Under the CSFA Program, each participating District issues a series of Notes which is sold to the CSFA. CSFA pools each District's Notes with Notes of other districts, and sells one or more series of Authority Notes, pursuant to an Indenture between CSFA and U.S. Bank National Association, as Trustee. The Authority Notes would be purchased by joint senior managers RBC Capital Markets and Citigroup Global Markets Inc., each acting on behalf of itself and other Underwriters to be appointed by the State Treasurer at a later date, who would in turn sell the Authority Notes to the investing public. Proceeds of the District Notes and the funds used to repay such Notes will be invested by the District in the County Treasury, or by the Trustee on the District's behalf in another type of permitted investment under the Indenture, respectively. District Note Proceeds will be deposited in the general fund of the District and used to finance projected cash flow deficits.

(b) Form of **Note Purchase Agreement.** The Resolution approves the form of a District Note Purchase Agreement (the "Purchase Agreement") by and between the District and the Authority.

Board of Education Executive Summary

Business Services

Tax Revenue Anticipation Note (TRAN)

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Pursuant to the Purchase Agreement, the Authority will agree to buy the District's Note. The conditions of closing the transaction are set forth in this document, including the documentation to be provided at the closing by various parties. Upon the pricing and sale of the TRANs, the final execution copy of the Purchase Agreement will be prepared following this form and the District's Authorized Officer will sign the Confirmation of Pricing.

(c) In the event the District is deemed to be a non-State Credit Issuer, the Governing Board authorizes the District's Authorized Officer to provide information for a Preliminary Official Statement ("POS"). The POS is the offering document describing the CSFA State Aid Intercept Notes which will be distributed to prospective purchasers of the Authority Notes. The POS discloses information with respect to, among other things, (i) the proposed uses of proceeds of the Authority Notes, (ii) the terms of the TRANs (interest rate, yield, etc.), (iii) the security for repayment of the TRANs (pledged revenues), (iv) may include District cash flows, financial and operating data, and (v) disclosure of litigation and other miscellaneous matters expected to be of interest to prospective purchasers of the TRANs. Following the pricing of the TRANs, a final Official Statement for the TRANs will be prepared, substantially in the form of the POS.

Financial Impact: Pursuant to the Resolution, the District will pledge a portion of the revenues expected to be received by the District during, or attributed to the District for fiscal year 2020-21 to the repayment of the TRANs in an amount equal to the principal and interest due on the TRANs. However, the TRANs will be a general obligation of the District payable from its General Fund, and to the extent pledged revenues are not available, the TRANs will be paid from other legally available moneys of the District attributable to fiscal year 2020-21.

II. Driving Governance:

- Education Code section 42127 requires the Governing Board of each school district to adopt a budget on or before July 1st. The budget to be adopted shall be prepared in accordance with Education Code section 42126. The adopted budget shall be submitted to the County Office of Education. The County Office of Education will determine if the district will be able to meet its financial obligations during the fiscal year and the subsequent two years. The County Office of Education will either approve, disapprove, or conditionally approve the district's budget.
- Education Code section 42130 requires the Superintendent to submit two reports to the Board of Education during each fiscal year. The first report shall cover the financial and budgetary status of the district for the period ending October 31st. All reports required shall be in a format or on forms prescribed by the Superintendent of Public Instruction.
- Education Code section 42131 requires the Board of Education to certify, in writing, whether the district is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for the subsequent two fiscal years. Certifications shall be based on the Board's assessment of the district budget.

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Certifications shall be classified as positive, qualified or negative. This education code section also outlines the role of the County Office of Education.

- Education Code section 42131 (3)(e) directs districts to provide additional reports to the County Office of Education as of June 1st, if a Qualified or Negative Certification is reported as of the Second Interim Report.

II. Goals, Objectives, and Measures:

Follow the timeline, identify all budget reductions and savings, take action to implement such savings as required by law, District policy, and applicable bargaining agreements.

III. Major Initiatives:

Continued analysis of information from the State and its impact on District finances.

IV. Results:

The TRAN resolution presented at the December 10, 2020 Board Meeting identifies a temporary solution to address some of the District's cash flow needs caused by the State deferrals.

Recommendation: It is recommended that the Board approve Resolution No. 3177.

V. Lessons Learned/Next Steps:

- Follow the approved calendar with adjustments made as necessary.
- Update District Budget Timeline
- Continue to monitor the state budget and its impact on the district finances.
- Continue to engage stakeholders in the budget development process through community budget meetings.
- Work to complete negotiations with bargaining unit partners.
- Ensure compliance with all LCFF and LCAP requirements.

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION**

RESOLUTION NO. 3177

ACTION ITEM

(PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 53635.7)

SACRAMENTO COUNTY, CALIFORNIA

RESOLUTION OF THE GOVERNING BOARD AUTHORIZING DISTRICT PARTICIPATION IN THE CALIFORNIA SCHOOL FINANCE AUTHORITY STATE AID INTERCEPT NOTES (FISCAL YEAR 2020-21 SCHOOL AND COMMUNITY COLLEGE DISTRICT DEFERRALS) THROUGH THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF FISCAL YEAR 2020-21 TAX AND REVENUE ANTICIPATION NOTES AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY TO WAIVE/DECLINE SUCH ISSUANCE BY THE COUNTY OR TO ISSUE AND SELL SAID SERIES OF NOTES

WHEREAS, in order to offset the fiscal impact of COVID-19, the State’s fiscal year 2020-21 Adopted Budget deferred approximately \$12.9 billion in aid to school districts, community college districts and county offices of education expected to be paid in 2020-21 to 2021-22; and

WHEREAS, the Sacramento City Unified School District (the “**District**”) will require cash flow assistance from the deferral by the State of principal apportionments due to the District in the months of February, 2021 through and including June, 2021 (the “**Deferral Months**”) to the months of July, 2021 through November, 2021 (the “**Deferral Amounts**”).

WHEREAS, Section 53850 through and including Section 53858 of the California Government Code (the “**Act**”) (comprising Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Act) authorizes school districts, community college districts and county boards of education (each, an “**Issuer**”) to borrow money on a temporary basis through the issuance of short-term notes, including tax and revenue anticipation notes (“**TRANS**”); and

WHEREAS, the California School Finance Authority (the “**Authority**”), a public instrumentality of the State of California (the “**State**”) has established a Statewide pooled TRANS program including, but not limited to the State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals) (the “**CSFA Program**”) under the powers granted to the Authority pursuant to its enabling legislation, being Section 17170 *et seq.* of the Education Code of the State (the “**CSFA Act**”), for the purpose of providing working capital loans to school districts, community college districts and county offices of education; and

WHEREAS, the terms of the CSFA Program are highly favorable to the District and the Board has determined it to be in the best interests of the District to participate in the CSFA Program, along with other Issuers; and

WHEREAS, the governing board (the “**Board**”) of the District located in the above-referenced County (the “**County**”) has determined that, in order to satisfy certain financial obligations and working capital requirements, it is desirable that an aggregate principal amount of not-to-exceed \$96,000,000 (the “**Principal Amount**”), should be borrowed by the District for such purposes during the fiscal year ending June 30, 2021 (“**Fiscal Year 2020-21**”) by the issuance of 2020-21 Tax and Revenue Anticipation Notes by the District; and

WHEREAS, if the Authorized Officer (as defined herein) determines, that it is necessary for the District to effect a temporary borrowing for cash flow purposes in excess of the Deferral Amounts, the Board hereby determines to issue a series of District Notes to be secured by both the Deferral Amounts along with other Unrestricted Revenues (as defined herein) attributable to Fiscal Year 2020-21; and

WHEREAS, the Authorized Officer (as defined herein) may determine that the Principal Amount shall be divided into two or more portions, as evidenced by multiple series of District Notes (as defined below) issued simultaneously under one Note Purchase Agreement (as defined herein) and/or subsequently during the Fiscal Year 2020-21 under separate Note Purchase Agreements during Fiscal Year 2020-21, such Principal Amount to be confirmed, along with the interest rate, price and other terms of the sale or sales of the series of District Notes set forth in the applicable Confirmation of Pricing(s) (the “**Confirmation of Pricing**”) applicable to such series of District Notes; provided that “Series of District Notes” shall be deemed to refer to the District Note issued hereunder in one series by the County or the District, as applicable, or each individual Series of District Notes if issued in two or more series by the County or the District, as applicable; and

WHEREAS, the initial series of District Notes shall be referred to herein as the “**Series A District Notes**” and any subsequent series of which shall be referred to as the “**Additional District Notes**,” and collectively with the Series A District Notes, shall be referred to as the “**District Notes**” or the “**Notes**”), and an Additional District Notes may be issued in one or more series (each a “**Series**”) simultaneously with the Series A District Notes and/or subsequently to the issuance of the Series A District Notes;

WHEREAS, each Series of District Notes shall be issued in anticipation of the receipt by or accrual to the District during Fiscal Year 2020-21 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, including Deferral Amounts, and, if so indicated in a Confirmation of Pricing, such other funds of the District specified therein; provided that pursuant to Section 53854 of the Government Code of the State, such Series of District Notes may be made payable during Fiscal Year 2021-22, but in no event later than 15 months after the date of issue, when such note or Series of Notes is payable only from revenue received or accrued during the fiscal year in which issued, it being anticipated that certain Deferral Amounts will be attributable to Fiscal Year 2020-21 but received by the District in Fiscal Year 2021-22; and

WHEREAS, for the purposes set forth above, this Board has determined that it is in the best interests of the District to issue District Notes in one or more Series, and that 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, the District hereby requests the Board of

Supervisors of the County (the “**Board of Supervisors**”) to notify the District, within 45 calendar days following its receipt of a certified copy of this Resolution, that the District may issue the District Notes on its own behalf for the purpose of participating in the CSFA Program, as permitted under Section 53853(b) of the Act; and

WHEREAS, if the Board of Supervisors declines to so notify the District, the District requests the Board of Supervisors to issue the District’s Notes as soon as possible following its receipt of a certified copy of this Resolution so that the District Notes may be financed as a part of the CSFA Program; and

WHEREAS, 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 2020-21, including Deferral Amounts, are, pursuant to Section 53856 of the Act, authorized to be pledged for the payment of the principal of the District Notes and the interest thereon as provided herein; and

WHEREAS, no money has 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 2020-21 which will be received by or will accrue to the District during Fiscal Year 2020-21 for the general fund indicated in a Confirmation of Pricing, or any other fund of the District named in such Confirmation of Pricing; and

WHEREAS, this Board hereby determines that the Principal Amount plus 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 2020-21 which will be received by or which will accrue to the District during Fiscal Year 2020-21 for the general fund (taking into account certain Deferral Amounts), and, if so indicated in a Confirmation of Pricing, other specified funds of the District and which will be available for the payment of the principal of the District Notes and the interest thereon as provided herein; and

WHEREAS, the municipal advisor for the CSFA Program, being Montague DeRose and Associates (the “**Municipal Advisor**”), and the Underwriters for the CSFA Program, being RBC Capital Markets LLC and Citigroup Global Markets Inc., as joint senior managers (the “**Underwriters**”) have structured the CSFA Program so that the notes of the Authority (the “**Authority Notes**”) in one or more series (“**Series of Authority Notes**”) will be issued through the Authority and under the terms of an Indenture and/or a supplement thereto (the original indenture and each supplement thereto applicable to a Series of Authority Notes to which a District Note shall be assigned is herein collectively referred to as the “**Indenture**”) by and between the Authority and U.S. Bank National Association, as Trustee (the “**Trustee**”), substantially in the form presented to this meeting of the Board; and

WHEREAS, each Issuer participating in any particular Series of Authority Notes under the CSFA Program will be required to sell each Series of its District Notes to the Authority pursuant to a note purchase agreement (the District’s note purchase agreement, in substantially 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 Agreement**”), between the District and the Authority, and dated as of the date of the Confirmation of Pricing, applicable to the sale of one or more series of the District’s Notes of such Series to be sold simultaneously, a form of which has been submitted to the Board; and

WHEREAS, the Authority will form one or more pools of notes (the “**Pooled Authority Notes**”) of each participating Issuer pursuant to the advice of the Underwriters and the Municipal Advisor, and assign each respective series of notes to a particular pool (the “**Pool**”) and sell a Series of Authority Notes secured by each Pool pursuant to the Indenture, each Series of Pooled Authority Notes distinguished by (i) whether or what type of credit secures such series of Pooled Authority Notes, (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 Underwriters and the Municipal Advisor, to assign the District 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 Confirmation of Pricing applicable to the sale of the District Notes of each Series issued simultaneously, the District will (in such Confirmation of Pricing) request the Authority to issue a Series of Pooled Authority Notes pursuant to an Indenture to which such Series of District Notes identified in such Confirmation of Pricing will be assigned by the Authority in its discretion, acting upon the advice of the Underwriters, which series of Pooled Authority Notes will be payable from payments of all or a portion of principal of and interest on such Series of District 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 Series of District Notes is assigned; and

WHEREAS, each Issuer, whose series of notes is assigned to a Pool as security for a Series of Pooled Authority Notes, will be responsible for its share of the fees of the costs of issuing the applicable Series of Pooled Authority Notes; and

WHEREAS, each participating Issuer is required to approve the forms of Indenture and Note Purchase Agreement in substantially the forms presented to the Board, with such final terms and details to be determined in the Confirmation of Pricing applicable to the sale of the District Notes of such Series to be sold by the respective Issuer, including the District; and

WHEREAS, the Underwriters will submit an offer to the Authority to purchase the Series of Pooled Authority Notes which will be secured by the Indenture to which such Pool will be assigned; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the Sacramento City Unified School District Board of Education 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. TRANS Issuance.

(A) Initial Series of TRANS. The Board hereby determines to borrow, and hereby requests the Board of Supervisors to authorize the District to borrow on its own behalf, in anticipation of the receipt by or accrual to the District during Fiscal Year 2020-21 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, including Deferral Amounts, and, if so indicated in the applicable Confirmation of Pricing, any other fund indicated in such Confirmation of Pricing, and not pursuant to any common plan of financing of the District, by the issuance under the Act, of Notes, designated generally as the District's "Tax and Revenue Anticipation Notes, 2020-21 Series ___" in one or more Series, on a tax-exempt or taxable basis. The issuance of such Notes shall be in order of priority of payment described in the "**Series A District Notes**" being the initial Series of Notes issued under this Resolution, together with one or more series of Additional District Notes which may be issued simultaneously with, or subsequent to, upon a separate sale date, the issuance of the Series A District Notes, in accordance with the provisions hereof. The Additional District Notes may be tax-exempt or taxable, and payable on a parity or subordinate basis with the Series A District Notes. References herein to a Confirmation of Pricing shall be deemed to refer to the Confirmation of Pricing relating to and describing the particular Series of Notes and the applicable Series of Authority Notes secured by such Series of Notes.

The aggregate principal amount of all Series of Notes issued hereunder shall not exceed the lesser of (1) 85% of the amount of Unrestricted Revenues of the District for the remainder of or attributed to Fiscal Year 2020-21, or (2) the maximum accumulated cash flow deficit of the District, in the case of all Series of Tax-Exempt Notes. Additionally, if the District is a State-Credit Issuer (as defined herein), the principal amount of the Series A District Notes and any Additional District Notes secured solely by Deferral Amounts may not exceed the aggregate of the Deferral Amounts.

The Series of Notes are being issued to provide cash flow relief from the deferral by the State of principal apportionments due to the District in the months of February, 2021 through and including June, 2021 to the months of July, 2021 through and including November, 2021. The Series A District Notes will enjoy the benefit of the intercept procedure (the "**Intercept**") administered by the State Controller (the "**Controller**"), by which all or a portion of each Deferral Amount will be intercepted by the Controller and deposited into the District's Payment Account with the Trustee. Due to the timing of the calculation for the actual Deferral Amount for the month of June, 2021 (the "**Final June Deferral Amount**"), based on the second principal apportionment (P-2) information, proceeds of the Series A District Notes attributable to the estimated June

Deferral Amount based on the first principal apportionment (P-1) (the “**Estimated June Deferral Amount**”) will be deposited in escrow with the Trustee (the “**Escrow Account**”) until the June Deferral Amount is provided to the Authority, following which time, (i) if the Final June Deferral Amount is equal to or greater than the Estimated June Deferral Amount, the amount in escrow equal to the Estimated June Deferral Amount, taking into consideration investment earnings thereon, will be released to the District for deposit into its general fund; or (ii) if the Final June Deferral Amount is less than the Estimated June Deferral Amount, an amount equal to the difference between the Final June Deferral Amount and the Estimated June Deferral Amount will be transferred to the Payment Account of the District, taking into consideration investment earnings thereon, and the remainder will be released to the District for deposit into its general fund. The District will be a “**State-Credit Issuer**” if repayment of its Series A District Notes are made solely from the Deferral Amounts and the Intercept by the Controller as described herein.

(B) Terms of Series of Notes. The Notes of each Series shall be issued in the form of one registered note in the principal amount thereof as set forth in the Confirmation of Pricing and all such principal amounts aggregating to the principal amount set forth in the Confirmation of Pricings, in each case, to bear a Series designation, to be dated the date of its delivery to the 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 Confirmation of Pricing applicable to such Series (the “**Maturity Date**”), and to bear interest, payable at 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 Confirmation of Pricing) 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 Confirmation of Pricing applicable to the Notes of such Series and indicated on the face of such Notes (collectively, the “**Note Rate**”).

If Notes of a Series or the Pooled Authority Notes issued in connection therewith are not fully paid at their Maturity Date, the unpaid portion thereof shall be deemed outstanding and shall continue to bear interest thereafter at the Default Rate (as defined in the Indenture) until paid. In such case, the obligation of the District with respect to such Defaulted Note or unpaid Notes of a Series 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 2020-21 within the meaning of Article XVI, Section 18 of the California Constitution, as provided in the section herein entitled “Source of Payment.”

Both the principal of and interest on the Notes of each Series shall be payable in lawful money of the United States of America, but only upon surrender thereof, at the corporate trust office of the Trustee in San Francisco, California, or as otherwise indicated in the Indenture. The aggregate Principal Amount may, prior to the issuance of any Series, be reduced from the aggregate Principal Amount specified above, at the discretion of the Underwriters upon consultation with the Authorized Officer or, if and to the extent necessary to obtain an approving legal opinion of Norton Rose Fulbright US LLP (“**Bond Counsel**”) as to the legality thereof or, if applicable, the exclusion from gross income for federal tax purposes of interest thereon.

In the event the Board of Supervisors of the County authorizes the issuance of the Notes by the District on its own behalf, as provided in Section 53853(b) 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 Resolution. The Notes shall then be issued in conjunction with one or more series of notes of one or more other Issuers as part of the CSFA Program and within the meaning of Section 53853(b) of the Act.

Section 3. Form of Notes. The Notes of each Series shall be issued in fully registered form without coupons and shall be substantially in the form 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, Secretary or Clerk of the Governing Board, the Superintendent, Superintendent/President, Chancellor, the Assistant Superintendent of Business, the Assistant Superintendent, Vice President of Business and Administration, Vice Chancellor of 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 the equivalent, or, in the absence of said officer, his or her duly appointed designee (each an “**Authorized Officer**”), is hereby authorized and directed to confirm, with the Authority and the California State Treasurer, as the Agent for Sale (the “State Treasurer”), an interest rate or rates on the Notes of each Series 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 Authority for the Notes of each Series, 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 sum of the principal amounts 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 Notes of a Series set forth in the Confirmation of Pricing are acceptable to said Authorized Officer, said Authorized Officer is hereby further authorized and directed to execute and deliver the Confirmation of Pricing supplement to be delivered by the Authority to the District on a date within five (5) days, or such longer period of time as may be agreed upon by the Authority, of said negotiation of interest rates and purchase price during the period from the date of adoption of this Resolution through June 15, 2021, substantially in the form presented to this meeting as Schedule I to the Note Purchase Agreement, 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. A Note Purchase Agreement may reference more than one Series of Notes if such Series of Notes are issued simultaneously. In the event more than one Series of Notes is issued, a separate Confirmation of Pricing 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 Confirmation of Pricing, the Note Purchase Agreement, substantially in the form presented to this meeting, which form is 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 Note Purchase Agreement shall not be effective and binding on the District until the execution and delivery of the corresponding Confirmation of Pricing. Delivery of a Confirmation of Pricing by telecopy, or electronic transmission 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 Note Purchase Agreement and/or the Confirmation of Pricing.

Section 5. Issuance of Additional District Notes. The District (or the County on behalf of the District, as applicable) may at any time issue pursuant to this Resolution, one or more Additional District Notes, subject in each case to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional District Notes:

(A) The District shall not have issued any TRANs relating to the Fiscal Year 2020-21 except (i) in connection with the CSFA Program under this Resolution, or (ii) notes secured by a pledge of its Unrestricted Revenues (as defined herein) that are subordinate in all respects to the pledge of its Unrestricted Revenues hereunder; and (iii) the District shall be in compliance with all agreements and covenants contained herein; and (iv) no Event of Default shall have occurred and be continuing with respect to any such outstanding previously issued notes or Series of Notes.

(B) 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**”). Additional District Notes issued hereunder shall only be issued for the purpose of participating in the CSFA Program through another Series of Notes.

(C) If the Additional District Notes are secured by the Deferral Amounts, such Additional District Notes shall be limited to the remaining Deferral Amounts.

(D) Whenever the District shall determine to issue, execute and deliver any Additional District Notes pursuant to this Section, the Note principal amount of which, when added to the Note principal amounts of all Series of Notes previously issued by the District, would exceed the not-to-exceed Principal Amount authorized by this Resolution, the District shall adopt a Supplemental Resolution amending this Resolution to increase the not-to-exceed Principal Amount 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 authorize the District to issue such Additional District Notes on its own behalf as provided herein. The Supplemental Resolution may contain any other provision authorized or not prohibited by this Resolution relating to such Additional District Notes.

(E) Prior to the issuance of such Additional Series Notes, the District shall file or cause to be filed the following documents with the Trustee: (i) an Opinion of Counsel to the District to the effect that (a) such Additional District Notes constitute the valid and binding obligations of the District, (b) such Additional District 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; (ii) a certificate of the District certifying as to the incumbency of its officers and stating that the requirements of this Section have been met; (iii) a certified copy of this Resolution and any applicable Supplemental Resolution; (iv) if this Resolution was amended by a Supplemental Resolution to increase the maximum Principal Amount, the resolution of the County Board of Supervisors approving such increase in the not-to-exceed Principal Amount and the issuance of such Additional District Notes, or evidence that the County Board of Supervisors has elected to not issue such Additional District

Notes; (v) an executed counterpart or duly authenticated copy of the applicable Note Purchase Agreement; (vi) a Confirmation of Pricing relating to the Additional District Notes duly executed by an Authorized Officer (as defined herein); (vii) the Additional District Notes duly executed by the applicable representatives of the District or the County, as provided herein, either in connection with the initial issuance of the Series A District Notes or in connection with any Supplemental Resolution increasing the maximum Principal Amount; and (viii) if the Additional District Notes are to be payable on parity with the District's outstanding Notes, evidence or confirmation that no rating then in effect with respect to any outstanding Notes, series of notes 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 Additional District Notes.

Section 6. Program Approval. The District hereby delegates to the Authority the authority to determine the structure and parameters of the CSFA Program, with the Authorized Officer of the District accepting and approving such determinations by execution of the Confirmation of Pricing.

(A) Pooled Structure. The Confirmation of Pricing for a Series of Notes may, but shall not be required to, specify the Series of Pooled Authority Notes 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, 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 Confirmation of Pricing 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 Confirmation of Pricing and the Credit Agreement(s) (if any).

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 Confirmation of Pricing 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 Confirmation of Pricing shall require or approval (substantially final forms of the Indenture and the Supplemental Indenture (if applicable) to be delivered to the Authorized Officer concurrently with the Confirmation of Pricing 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 Confirmation of Pricing applicable to such Series of Notes. It is acknowledged that the Authority is authorized and requested to issue one or more Series of Pooled Authority Notes 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 Pooled Authority Notes. If, at any time prior to the execution of a Confirmation of Pricing, 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 the Section 11 hereof, the District hereby agrees that if a Series of Notes shall become a Defaulted Note, the unpaid portion thereof shall be deemed outstanding and shall not be deemed to be paid until the holders of such Series of Notes or the Series of the Pooled Authority Notes 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. Holders of such Series of Pooled Authority Notes 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 Pooled Authority Notes 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 Pooled Authority Notes issued in connection with such Series of Notes, at the time of original issuance of such Series of Pooled Authority Notes. 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.

[THE FOLLOWING PRELIMINARY OFFICIAL STATEMENT SECTION SHALL APPLY TO TRADITIONAL TRANS (NON STATE-CREDIT ISSUERS) and ISSUER WITH DISTRICT SENIOR EXISTING INDEBTEDNESS, AS APPLICABLE]

(B) Preliminary Official Statement. Each Authorized Officer is authorized to provide the Authority and the Underwriters with a compilation of District information including, but not limited to the information listed in Exhibit C hereto, to be included in the Preliminary Official Statement, and the Underwriters are hereby authorized to distribute the Preliminary Official Statement in connection with the offering and sale of each series of notes associated with the CSFA Program. Each Authorized Officer is hereby authorized and directed to provide the Authority and the Underwriters with such information relating to the District as the Authority and Underwriters shall reasonably request for inclusion in the Preliminary Official Statement. Upon inclusion of the information relating to the District therein, the Preliminary Official Statement for the applicable Series of notes associated with the CSFA Program, as applicable, 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 and the Authority is hereby authorized to certify on behalf of the District that the 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 Confirmation of Pricing, any event occurs as a result of which the information contained in the ~~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 Underwriters. The Authority is hereby authorized and directed, at or after the time of the sale of the Authority Notes, for and in the name and on behalf of the District, to execute or approve a final Official Statement, with such additions thereto or changes therein as the Authority may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

(C) Reserved.

(D) Appointment of Professionals. In connection with the CSFA Program, Montague DeRose and Associates, LLC, is hereby appointed and approved as Municipal Advisor, the law firm of Norton Rose Fulbright US LLP is hereby appointed and approved as Bond Counsel, Nixon Peabody LLP is hereby appointed and approved as Disclosure Counsel, and joint senior managers RBC Capital Markets LLC and Citigroup Global Markets Inc., each acting on behalf of itself and other underwriters to be appointed by the State Treasurer at a later date, are hereby appointed and approved as Underwriters for the CSFA Program. U.S. Bank National Association is hereby appointed and approved as Trustee for the CSFA Program. In addition, the District may appoint and approve a law firm to act as special counsel to the District in connection with the CSFA Program.

Section 7. No Joint Obligation. 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 Pooled Authority Notes. 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 District Note, if applicable, and such Series of Notes.

Section 8. 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 CSFA Program for Fiscal Year 2020-21, whereby participating school districts, community college districts and county boards of education throughout the State of California will simultaneously issue district 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 Authority

Notes, net of the District's share of the costs of issuance, shall be deposited in the District's Proceeds Account (as hereinafter defined) attributed to such Series of Notes and held and invested by the Trustee under the Indenture for the District, or transferred in the name of the District's General Fund to the Treasurer of the County, or as otherwise provided under the Indenture, and said moneys may be used and expended by the District for such use upon requisition from such Proceeds Account as specified in 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 District Notes authorized to be issued pursuant to this Resolution are consistent with such policies, and instructs Bond Counsel (as herein 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 9. Disposition of Proceeds of Notes. A portion of the proceeds of the District Notes, allocable to the District's share of the Authority's costs of issuance, shall be retained by the Authority and used to pay Costs of Issuance with respect to the Authority Notes, as provided in the Indenture. Subject to Section 2 herein, the remaining proceeds of the District Notes will be deposited in its Proceeds Account and transferred by the Trustee in the name of the District's General Fund to the County Treasurer where the District is located, which shall be invested by the District, as reasonably practicable, with such Treasurer of the County.

The District hereby covenants that, to the extent its District Notes will be allocated by the Authority to a Tax-Exempt Series of Authority Notes, it will comply with the terms of the District Tax Certificate to be executed by the District with respect to the District Notes (the "District Tax Certificate") and any other instructions requested by or otherwise provided by Bond Counsel.

Section 10. Payment Account.

(A) The Trustee shall transfer to each Payment Account (hereinafter defined) relating to a Series of Notes Pledged Revenues from amounts intercepted on behalf of the District as described in Section 11 below or, if applicable, for non-State Credit Issuers, deposited by or on behalf of the District, by the tenth Business Day of each Repayment Period (as defined hereinafter) (or such other day of each Repayment Period designated in the Confirmation of Pricing), amounts which, taking into consideration anticipated earnings thereon to be received by the Maturity Date (as set forth in a Certificate from the Municipal Advisor to the Trustee), are equal to the percentages of the principal and interest due with respect to such District Notes for the corresponding Repayment Period set forth in such Confirmation of Pricing; provided, however, if as described in Section 2 herein, the District's Final June Deferral Amount is less than the Estimated June Deferral Amount, the Trustee shall transfer from the District's Escrow Account an amount equal to the difference between the Final June Deferral Amount and the Estimated June Deferral Amount to the Payment Account of the District, and the remainder will be released to the District for deposit into its General Fund, as provided in the Indenture.

(B) For District Notes issued in calendar year 2021 and allocated by the Authority to a series of Authority Notes, the interest on which is intended to be Tax-Exempt (a “**Tax-Exempt Series of Authority Notes**”), in the event that either (A) the Note Principal Amount of the District 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 District Notes (as represented by the District in the District Tax Certificate) exceed \$15,000,000, or (B) the Note Principal Amount of such District 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 District Notes (as represented by the District in the District Tax Certificate), exceed \$5,000,000, paragraph (D) below shall apply. In such case, the District shall be deemed a “**Large Issuer**” with respect to such District Notes.

(C) For District Notes issued in calendar year 2021 and allocated by the Authority to a Tax-Exempt Series of Authority Notes, in the event that both (A) the Note Principal Amount of the District 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 not, at the time of the issuance of such District Notes (as represented by the District in the District Tax Certificate) exceed \$15,000,000, and (B) the Note Principal Amount of such District 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 not, at the time of the issuance of such District Notes (as represented by the District in the District Tax Certificate), exceed \$5,000,000, paragraph (D) below shall not apply. In such case, the District shall be deemed a “**Small Issuer**” with respect to such District Notes.

(D) For District Notes allocated by the Authority to a Tax-Exempt Series of Authority Notes, as set forth in greater detail in the District Tax Certificate, the District will certify as to its reasonably expected “maximum anticipated cumulative cash-flow deficit.” To the extent, as set forth in the District Tax Certificate, less than 100% of the proceeds of the District Notes are treated as “spent” for purposes of Section 148 of the Internal Revenue Code of 1986 (the “**Code**”) and the Treasury Regulations thereunder (the “**Arbitrage Regulations**”), the District shall be subject to the arbitrage rebate requirements (the “**Rebate Requirement**”) of Section 148 of the Code. In such event, the District shall promptly notify the Authority in writing using a form of notification appended to the District Tax Certificate, that the District Notes do not qualify for an exception to arbitrage rebate and, therefore, proceeds of the District Note must be taken into account by the Authority’s arbitrage rebate consultant in calculating the Authority’s rebate liability, if any, with respect to the issue of Authority Notes to which the District Notes are allocable. The District agrees to pay to the Authority the District’s share of the Authority’s rebate liability, if any, as determined by the Authority’s arbitrage rebate consultant.

(E) The term “**Tax-Exempt**” shall mean, with respect to a Series of Authority Notes, that the interest to be paid on such Series of Authority Notes is intended to be excluded from the gross income of the holders thereof for federal income tax purposes.

Section 11. 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 2020-21 which will be received by or will accrue to the District during such fiscal year for the general fund, including the Deferral Amounts, and, if so indicated in a Confirmation of Pricing, capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Confirmation of Pricing) 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 set forth herein and this Section, the District hereby pledges the revenues described below to be received by the District in the periods specified in each Confirmation of Pricing as Repayment Periods (each individual period a “**Repayment Period**” and collectively the “**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 Confirmation of Pricing (the “**Pledged Revenues**”):

(1) As a State-Credit Issuer, the District hereby pledges its Deferral Amounts.

(2) If an Authorized Officer of the District later determines that the District is not a State-Credit Issuer, as indicated in its Confirmation of Pricing, the District hereby pledges the first Unrestricted Revenues to be received by the District.

(B) General Obligation. As provided in Section 53857 of the Act, notwithstanding the provisions of Section 53856 of the Act and of subsection (C) below 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 Indenture) of each such Repayment Period (or such other day of each Repayment Period designated in the Confirmation of Pricing) the District has not received sufficient Deferral Amounts, or Unrestricted Revenues, as applicable, to permit the deposit into each Payment Account of the full amount of Pledged Revenues to be deposited therein from said Deferral Amounts or Unrestricted Revenues, respectively, 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 Confirmation of Pricing, in such order of priority. “Senior Notes” means the District’s Series A District Notes and any Additional Series of Senior Notes.

(C) 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 hereof, shall be a first lien and charge against, and shall be payable from the first moneys received by the District from, the Pledged Revenues.

(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 District Notes issued hereunder (each a “**Payment Account**”) held by the Trustee under the Indenture, 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 the Funds Subject to Intercept (as defined in Section 11(E) below) and may, at the District’s option, deposit Unrestricted Revenues during any Repayment Period, a pro-rata share (as provided below) of the first Unrestricted Revenues received in each Repayment Period specified in the applicable Confirmation of Pricing 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 Municipal Advisor to the Trustee), is equal in the respective Repayment Periods identified in the Confirmation of Pricing applicable to such Series of Notes to the percentages of the principal of and interest on such Series of Notes at maturity specified in the Confirmation of Pricing 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 Confirmation of Pricing, in such order of priority.

Subject to the payment priority provisions of Section 20 hereof and this Section, any moneys placed in the Payment Account attributed to a Series of Notes shall be for the benefit of (i) the holders of the Series of Pooled Authority Notes issued in connection with the Pool of which such Series of District Notes is a part and (ii) (to the extent provided in the Indenture) the Credit Provider(s), if any. Subject to the payment priority provisions of Section 20 hereof and this Section, 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 Pooled Authority Notes, as set forth in the Indenture).

(E) Intercept Procedures. This Board hereby determines and elects to participate in the funding of debt service payments, amounts pledged, fees and charges, and other costs necessary or incidental in connection with the District Notes and payments on Authority Notes attributed to the District, as permitted under California Education Code section 17199.4. In accordance with the requirements set forth in Section 17199.4 of the Education Code and to effect the pledge contained in this resolution, the District shall and does hereby authorize and instruct the State

Controller to intercept Pledged Revenues from moneys designated for apportionment to the District for fiscal year 2020-21 (“**Funds Subject to Intercept**”), and to transfer such amounts to the Trustee for deposit into the Payment Account with a designation to the Trustee of the amounts to be credited for the District. Upon such deposit, such funds will not be available to the District. The District shall provide, or cause to be provided on its behalf, a notice to the State Controller accompanied by a schedule setting forth the dates and amounts of intercepts, together with instructions to whom such funds shall be wired, substantially in the form attached hereto as Exhibit B, and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures (the “**Intercept Schedule**”). In circumstances where, despite having received a proper Intercept Schedule on behalf of the District, the Funds Subject to Intercept are inadvertently sent to the District during a Repayment Period, the District is obligated to remit the Funds Subject to Intercept to the Trustee forthwith. If the District receives any Pledged Revenues necessary for repayment of the District Notes during a Repayment Period, it will immediately deposit such amounts with the Trustee for deposit into the Payment Account.

Should the Legislature of the State take action following the date of issuance of the District Notes (a “**Change in State Law**”) to advance or further defer the dates upon which the Deferral Amounts are to be paid, or to otherwise alter the Deferral Amounts, the Authority on the District’s behalf shall adjust the Intercept Schedule and Notice to the State Controller, so that sufficient funds are available for repayment of the District Notes. If the effect of the Change in State Law is to reduce any Deferral Amounts due to be paid to the District, so that a greater percentage of the apportionments payable in due course to the District during any of the Deferral Months is in fact paid during the Deferral Months (each, a “Restored Apportionment”), the District has authorized the Authority, on the District’s behalf, to provide the Controller with a revised Intercept Schedule or schedules that (a) reduce the Funds Subject to Intercept during the months of July through and including November 2021 by an amount equal to the Restored Apportionment and (b) subject all of the Restored Apportionment to the Intercept Notice and Schedule in the Repayment Periods and in the amounts established pursuant to the Change in State Law.

If the effect of the Change in State Law is to delay one or more dates upon which the Deferral Amounts were, as of the date of issuance of the District Notes, expected to be paid to the District, the District has authorized the Authority, on its behalf, to provide the Controller with a revised Intercept Schedule that reduces or increases, as appropriate, the Deferral Amounts as and when scheduled to be received under the terms of the Change in State Law during revised Repayment Periods.

(F) Determination of Repayment Periods. With respect to each Series of District Notes, the length of any individual Repayment Period 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 Confirmation of Pricing shall not exceed nine (9), or as otherwise determined in the related Confirmation of Pricing; 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; 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 Accounts of all outstanding Series of Notes of a higher priority. 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 District Notes at maturity required to be on deposit in the related Payment Account in each Repayment Period, all as specified in the Confirmation of Pricing, by executing and delivering the Confirmation of Pricing, such execution and delivery to be conclusive evidence of approval by this Board and such Authorized Officer.

(G) 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, subject to the payment priority provisions of Section 20 hereof and this Section, 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; and
 - b. second, (if on the Maturity Date) to pay principal of all Series of Senior Notes pro-rata;
- (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 Confirmation of Pricing, 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 obligation, if any, to pay any rebate amounts in accordance with the provisions of the Indenture 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 Indenture. 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.

(H) Investment of Moneys in Proceeds Account and Payment Accounts. Moneys in the Proceeds Account 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 Indenture, in an investment agreement or agreements and/or other Permitted Investments as described in and under the terms of the Indenture, and as designated in the Confirmation of Pricing applicable to such Series of Notes.

Section 12. Execution of Note. In the event the Board of Supervisors of the County fails or declines 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, electronic or facsimile signature and the Secretary or Clerk of the governing board of the District, the Superintendent or Chancellor 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 designee thereto, shall be authorized to countersign each such Note by manual, electronic or facsimile signature. 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, electronic 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, electronic or facsimile signature and to affix the seal of the County to each such Note either manually, electronically or by facsimile impression thereof. 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 Confirmation of Pricing. 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 Note Purchase Agreement, as applicable, this Resolution and the Indenture. 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 13. 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 Indenture 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.

In the event that the Authorized Officer shall elect to issue the District's Notes within the CSFA Program, such Notes shall be deposited with the Trustee and maintained in trust until their scheduled maturity and payment in full. The District Notes shall not be transferable or assignable by the Trustee while the associated Pooled Authority Notes are outstanding. Notwithstanding the foregoing, in the event that the District Notes should be lost, stolen, destroyed or mutilated prior to their stated maturity, the District shall cause to be issued a new District Note or Notes of the same tenor, term and maturity as the original to replace the same upon such reasonable terms and conditions, including the payment of costs and the posting of a surety bond, as may from time to time be determined and prescribed by the Authorized Officer in consultation with the Authority.

(A) Subject to Section 7 hereof, the County, the District, 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 Pooled Authority Notes to which such Series of District Notes is assigned, if such Series of Pooled Authority Notes 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 14. 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 2020-21 pursuant to Article XVI, Section 6 of the Constitution of the State of California and California Education Code 42620; 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 Accounts of all outstanding Series of Notes (regardless of when due and payable) shall have been deposited into such Payment Accounts.

Section 15. Representations and Covenants.

(A) The District is a school, community college district or county office of education, 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 approve and perform its obligations under the Note Purchase Agreement(s) and the Indenture(s), and (ii) authorize the issuance of one or more Series of Notes, or, if applicable authorize the County to issue one or more Series of Notes on its behalf.

(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 issue and deliver each Series of Notes, or (iii) 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.

(C) The issuance of each Series of Notes, the adoption of this Resolution and the execution and delivery of the Note Purchase Agreement(s) and the Indenture(s) and compliance with the provisions hereof and thereof do not and 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 and properly adopted a budget for Fiscal Year 2020-21 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 and properly prepare and adopt its revised or final budget for Fiscal Year 2020-21, (ii) provide to the Authority, the Trustee, the Underwriters and the Municipal 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) [FOR TRADITIONAL TRANS NON-STATE CREDIT ISSUERS][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 2014-15 through Fiscal Year 2018-19, 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 2019-20 and 2020-21, 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, or had filed on its behalf, a petition in bankruptcy.

(H) The District's most recent audited financial statements fairly present 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 Underwriters, 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 Authority, Underwriters, and the Municipal Advisor, 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 Note Purchase Agreement(s), the Indenture 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 Note Purchase Agreement(s), the Indenture 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 Authority, 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 or Pooled Authority Notes, as applicable, issued or executed and delivered in connection with any Series of the Notes; provided, however that, if the CSFA Program is implemented, the District may adopt one or more Supplemental Resolutions without any such consents in order to increase the not-to-exceed Principal Amount in connection with the issuance of one or more Series of Additional Series of District Notes as provided for herein.

(K) Upon issuance of a Series of Notes, such Series of Notes, and this Resolution will constitute the 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 (as applicable), 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.

(1) The District acknowledges that pursuant to Senate Bill 820, codified as California Education Code Section 17199.15, notwithstanding any other law, if any bonds or notes that were issued for purposes of borrowing pursuant to paragraph (3) of subdivision (a) of California Education Code Section 17199.1 to fund several financings of working capital for several participating parties under a single resolution remain outstanding, each participating party for which those bonds were issued is ineligible to be a debtor in a case under Chapter 9 of the United States Bankruptcy Code (Chapter 9 commencing with Section 901) of Title 11 of the United States Code), as that chapter may be amended from time to time, and no governmental officer or organization is or may be empowered to authorize a participating party to be a debtor under that chapter.

(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 CSFA Program under this Resolution and that is secured by a pledge of its Unrestricted Revenues for fiscal year 2020-21.

(N) So long as any Series of Pooled Authority Notes executed or issued in connection with a Series of District Notes are Outstanding, the District will not create or suffer to be created any pledge of or lien on such Series of District Notes other than the pledge and lien of the Indenture.

(O) 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 has disclosed in writing to the Underwriters, that it has a negative certification applicable to the fiscal year ending June 30, 2020 (“**Fiscal Year 2019-20**”) and will disclose in writing to the Underwriters any negative or qualified certification applicable to the fiscal year ending June 30, 2021 (“**Fiscal Year 2020-21**”) (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 Underwriters, the Municipal Advisor, and Bond Counsel if it 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 2020-21 prior to the respective Closing Date referenced in each Confirmation of Pricing or the Maturity Date of each Series of Notes.

(P) The District will maintain a positive general fund balance in Fiscal Year 2020-21.

(Q) The District will maintain an investment policy consistent with the policy set forth above.

(R) The District covenants that it will immediately deliver a written notice to the Authority, the Underwriters, the Municipal Advisor 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 16. Tax Covenants.

(A) 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 federal income tax exclusion from gross income of the interest payable on each Series of Authority Notes that make up the “issue” (as defined in Section 1.150-1(c) of the Treasury Regulations) of Authority Notes that purport to be Tax-Exempt (hereinafter, a “Tax-Exempt Issue”). Without limiting the generality of the foregoing, the District will not make any use of the proceeds of any District Notes or any other funds of the District that would cause any Tax-Exempt Issue 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.

(B) In the event the District is deemed a Large Issuer (as defined above) with respect to a Tax-Exempt Series of Authority Notes, this subsection (B) shall apply. The District covenants that it shall determine, pursuant to the District Tax Certificate, whether all of the proceeds of the District Notes are treated as “spent” for purposes of the Arbitrage Regulations, and shall, to the extent advised by the Authority following calculations performed by the Authority’s arbitrage

rebate consultant, 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 Bond Counsel referred to herein to assure Authority compliance with the Rebate Requirements.

(C) 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, no one other than the holders or former holders of each Tax-Exempt Series of Notes (or any Tax-Exempt Series of Pooled Authority Notes related thereto), the Authority Note 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. The District further recognizes that its noncompliance with the covenants contained in this Section could cause interest on an entire Series of Authority Notes only a portion of which is allocable to the District Notes, or on an entire "issue" (as defined in Section 1.150-1(c) of the Treasury Regulations) of Authority Notes only a portion of which is allocable to the District Notes, to become included in the gross income for federal income tax purposes of the owners of such Series of Authority Notes or such "issue" (as so defined) of Authority Notes.

(D) With adequate lead time, the District shall provide to the Municipal Advisor and Bond Counsel the monthly cash-flows for its 2019-20 fiscal year, for its 2020-21 fiscal year (using estimates for months as to which the District's "books" have not yet been closed) and, to the extent possible, and particularly where the District reasonably expects its "maximum anticipated cumulative cash flow deficit" ("MACCFD") to occur after the close of its 2020-21 fiscal year, monthly cash-flows for the 2021-22 fiscal year, the last of which month ends after the expected date of the District's MACCFD. The District shall cooperate with the Municipal Advisor and Bond Counsel in their review of the District's MACCFD, in order to promote efficiency and accuracy given the anticipated number of participants in the CSFA Notes.

(E) The District shall certify, in the District Tax Certificate (or other similar document) the District is requested by CSFA and Bond Counsel to sign prior to the issuance of the CSFA Notes, its MACCFD, which shall be based on the District's reasonably expected cash-flows for the remaining months of the 2020-21 fiscal year and, as applicable, several months of the 2021-22 fiscal year. The District shall represent in the District Tax Certificate that it understands the basic methodology under which the MACCFD is calculated, including the rules governing when proceeds the District derives from the issuance of its District Note are treated as "spent" for federal income tax purposes.

(F) The District shall report to CSFA, not more than 45 days after the District expected to reach its MACCFD, whether in fact, absent proceeds the District derives from the issuance of its District Note, it has reached its MACCFD. Such reporting shall be done through a form that will be an exhibit to the District Tax Certificate. In the event the District has not reached its MACCFD, the District shall cooperate with CSFA, CSFA's arbitrage rebate consultant and Bond Counsel (as needed) in such consultant's calculation of the amount of arbitrage rebate liability, if any, owed by CSFA to the U.S. Department of the Treasury. The District understands that CSFA, based on such calculations, may allocate a portion of CSFA's arbitrage rebate liability to the

District based on the District's cash-flows. The District agrees to pay or reimburse CSFA for such allocable share of CSFA's arbitrage rebate liability and CSFA's expense associated with the calculation of arbitrage rebate liability.

(G) The covenants contained in this Section shall survive the payment of all Series of the Notes.

Section 17. 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, unless the Trustee shall 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 Note Purchase Agreement(s) (including the Confirmation(s) of Pricing), or in any requisition delivered by the District or in any instrument furnished in compliance with or in reference to this Resolution or the Note Purchase 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; and

(E) 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 shall have happened and be continuing, subject to the provisions of Section 20 hereof, the Trustee shall, in addition to any other remedies provided herein or by law or under the Indenture 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 Indenture 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.

Section 18. 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 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 Indenture 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 19. Sale of Notes. Each Series of District Notes shall be sold to the Authority in accordance with the terms of the Note Purchase Agreement applicable to such Series of District Notes, in each case as hereinbefore approved.

Section 20. 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 11(G) 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.

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.

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 Confirmation of Pricing, at the time of issuance thereof, to all previously issued Series of Subordinate Notes of the District, the provisions of this Section relating to Series of Senior Notes shall be applicable to such previously issued Series of Subordinate Notes and the provisions of this Section relating to Series of Subordinate Notes shall be applicable to such Series of Additional Subordinate Notes.

Section 21. Continuing Disclosure Undertaking. [THIS CONTINUING DISCLOSURE SECTION SHALL APPLY TO NON STATE-CREDIT ISSUERS, AS APPLICABLE]

(A) The District covenants to report to the Authority and the State Treasurer, as dissemination agent to the Authority (the "**Dissemination Agent**"), the occurrences of the events described in paragraphs (A)(1)j. and (A)(2)h. below, within five business days of such occurrence in order to assist the Authority with its continuing disclosure obligations set forth below with respect to the Authority Notes and the related Series of District Notes. 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. The Authority shall, for the sole benefit of the owners of each Series of Authority Notes and the related Series of District Notes (and, to the extent specified in this Section, the beneficial owners thereof):

(1) 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:

- a. Principal and interest payment delinquencies on such Series of Notes and the related Series of Authority Notes;
- 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 (as defined herein) 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 Authority Notes or other material events affecting the tax status of such Series of Notes and the related Series of Authority Notes;

- b. Modifications to rights of owners and beneficial owners of the Series of Authority Notes 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 (as defined herein), 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)h. 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)j. of this Section, or determines that the occurrence of an event described in subsection (A)(2)h. of this Section would be material under applicable federal securities laws, the District shall promptly within five business days 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 Authority Notes 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 17 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 Authority Notes of the Series related to such Series of District Notes (including persons holding Authority Notes through nominees, depositories or other intermediaries).

(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 Authority Notes, 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 Authority Notes, 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 Authority Notes, 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 Authority Notes. 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 Indenture.

(H) This Section shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriters, and owners and beneficial owners from time to time of the Authority Notes, and shall create no rights in any other person or entity.

Section 22. 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 Note Purchase Agreement and Indenture. 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 CSFA 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 Authority Notes, 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 12 hereof, are hereby designated as “Authorized District Representatives” under the Indenture.

(A) If the name of the District indicated on page 1 hereof is not the correct legal name of the District that adopted this Resolution, then it shall nevertheless be deemed to refer to the District that adopted this Resolution, and the name of the District indicated on page 1 hereof shall be treated as the correct legal name of said District for all purposes in connection with the CSFA Program.

(B) This Board hereby approves the execution and delivery of any and all agreements, documents, certificates and instruments referred to herein with electronic signatures under the California Uniform Electronic Transactions Act and digital signatures under Section 16.5 of the Government Code.

Section 23. 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 Authority Notes to which such Series of Notes is related 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 irrevocable.

Section 24. 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 Authority Notes to which such Series of Notes may be related, 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 11 hereof, District officers shall not be personally liable for the payment of any Note or any other obligation of the District hereunder and the County is not liable for payment of any Note or any other obligation of the District hereunder.

Section 25. 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 26. 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.

[Remainder of page intentionally left blank.]

PASSED AND ADOPTED this 10th day of December, 2020, by the governing board of the Sacramento City Unified School District at a regularly scheduled meeting held in Sacramento, California, at a location freely accessible to the public, or held remotely pursuant to Executive Order of the Governor, and in order to adhere as closely as possible to the orders of the health officials on behalf of the County, with remote access available to the public, by the following roll-call vote:

AYES: _____
NOES: _____
ABSTAIN: _____
ABSENT: _____

**SACRAMENTO CITY UNIFIED SCHOOL
DISTRICT**

By: _____
Jessie Ryan,
President of the Board of Education

ATTESTED TO:

By: _____
Jorge A. Aguilar, J.D.
Secretary of the Board of Education

EXHIBIT A
FORM OF NOTE

R-1

\$ _____

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

COUNTY OF SACRAMENTO, CALIFORNIA

2020-2021 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		
____%		_____, 2021		
First Repayment Period	Second Repayment Period	Third Repayment Period	Fourth Repayment Period	Fifth Repayment Period
[__% of total] [\$____] [principal][interest]	[__% of total] [\$____] [principal][interest]	[__% of total] [\$____] [principal][interest]	[__% of total] [\$____] [principal][interest]	[__% of total] [\$____] [principal][interest]
[principal and interest] due at maturity	[principal and interest] due at maturity	[principal and interest] due at maturity	[principal and interest] due at maturity	[principal and interest] due at maturity

FOR VALUE RECEIVED, the District/County Office 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 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 San Francisco, 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 maturity date 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).

[IF ISSUED BY DISTRICT] [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 Series of District Notes may be issued by the District secured by a lien on a parity with the lien securing this Note.]

[IF ISSUED BY COUNTY] [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 Series of District 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 2020-21 which will be received by or will accrue to the District during such fiscal year for the general fund, including Deferral Amounts (as defined in the Resolution) 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 [Deferral Amounts from Funds Subject to Appropriation, and at its option,] 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[, on a parity with the lien and charge securing the District Parity Existing Indebtedness]. 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 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.

[IF ISSUED BY COUNTY] [IN WITNESS WHEREOF, the Board of Supervisors of the County has caused this Note to be executed by the manual, electronic or facsimile signature of a duly authorized officer of the County and countersigned by the manual, electronic 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.]

EXHIBIT B
FORM OF INTERCEPT NOTICE

Notice to the State Controller Pursuant to Education Code Section 17199.4

_____, 2021

Re: California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), 2021 Series A (the “Notes”)

WHEREAS, Sacramento City Unified School District, a California unified school district (the “Participant”), has issued its Tax and Revenue Anticipation Notes, 2021 Series A (the “District Note”), pursuant to a resolution (the “Resolution”), adopted by its governing board on [December 10, 2020].

WHEREAS, the Participant has elected to have amounts due to be paid under its District Notes pledged to the repayment of the Notes, pursuant to the terms of that certain Indenture, dated as of March 1, 2021 (the “Indenture”), by and between the California School Finance Authority (the “Authority”) and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, the Authority has issued the Notes to fund its purchase of the District Notes and the 2020-21 tax and revenue anticipation notes of certain other California school and community college districts and county offices of education;

NOW THEREFORE, NOTICE IS HEREBY GIVEN PURSUANT TO SECTION 17199.4(c)(2) OF THE EDUCATION CODE OF THE STATE OF CALIFORNIA TO THE STATE CONTROLLER OF THE STATE OF CALIFORNIA (the “CONTROLLER”), that:

1. The governing board of the Participant has elected, pursuant to a resolution adopted on [December 10, 2020] and Section 17199.4(c)(1) of the Education Code of the State of California (the “Education Code”), to participate under Section 17199.4 of the Education Code, as described therein, and to direct the Controller to make transfers during the “Repayment Periods” and in the amounts (or such lesser amounts as are available to transfer) in the “Total Intercept” column set forth on Schedule I attached hereto, directly to the Trustee indicated in Section 3 hereto. If the amount available to the Controller to be transferred on any transfer date is less than the amount in the “Total Intercept” column set forth on Schedule I attached hereto, then the amount of such deficiency (each, a “Shortfall”) shall be carried forward to the following Repayment Period, during which the amount set forth in the Total Intercept column shall be increased by the amount of the Shortfall and transferred to the Trustee. If in such subsequent Repayment Period, these actions result in an additional Shortfall for the next succeeding Repayment Period, such Shortfall shall be added to subsequent transfers until no Shortfall remains.

2. The Participant hereby authorizes the Authority to provide a revised Schedule I to the Controller in the event of any Change in State Law, as defined in the Memorandum of Understanding (the “MOU”), by and among the Authority, the Controller and the California Department of Education, dated as of March 1, 2021, that causes a change in the timing of receipt

or amount of the Participant's Deferral Amounts (as defined in the MOU) during any Repayment Period.

3. The Participant hereby represents and certifies that all of the payments described in Schedule I hereto, summarized as the Total Intercept, are being made in support of the Participant's working capital loan from the Authority, evidenced by its District Notes, in accordance with Section 17199.4(a) of the Education Code, that the amount stated as the Total Intercept is not in excess of the actual payment obligations due under the District Notes, and that it is not submitting this notice for the purpose of accelerating the Participant's receipt of apportionments under Section 42238.02 of the Education Code, as required under Section 17199.4(d) of the Education Code. These representations and certifications extend to the terms of any revised Schedule I provided to the Controller under Section 2 hereof.

4. Transfers pursuant to Section 1 above shall be paid by wire transfer of immediately available funds to:

Bank: U.S. Bank, N.A.
ABA#: 091000022
FBO: U.S. Bank Trust National Association
Account #: 180121167365
Reference: CSFA 2020-2021 TRANS

[Remainder of page intentionally left blank]

District: Sacramento City Unified School District

Address: 5735 47th Avenue
Sacramento, CA 95824

County: Sacramento

Executed and entered into on the Date set forth on Page 1 of the District's "NOTICE TO THE STATE CONTROLLER PURSUANT TO EDUCATION CODE SECTION 17199.4" attached hereto and incorporated herein.

Sacramento City Unified School District

By: _____

Name: Rose Ramos

Title: Chief Business Officer

[Signature Page to Intercept Notice]

[Notice to the State Controller Pursuant to Education Code Section 17199.4]

Schedule I

Intercept Payment Amounts and Repayment Periods

<u>Repayment Periods</u>	<u>Payment Amounts</u>
-------------------------------------	-----------------------------------

Total

EXHIBIT B

(Continued)

EFT FORM

STATE OF CALIFORNIA
STATE CONTROLLER'S OFFICE
 ELECTRONIC FUNDS TRANSFER AUTHORIZATION
 FAM 34 (Rev. 11/19)

SECTION A

1. TYPE OF ENROLLMENT ACTION 1. <input type="checkbox"/> NEW 2. <input type="checkbox"/> CHANGE 3. <input type="checkbox"/> CERTIFICATION 4. <input type="checkbox"/> CANCEL	2. ENTITY NAME
--	----------------

SECTION B

1. TYPE OF ACCOUNT <input type="checkbox"/> C (Checking) <input type="checkbox"/> S (Savings)	
2. ROUTING NUMBER <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	3. DEPOSITOR ACCOUNT NUMBER
4. FINANCIAL INSTITUTION NAME	
5. BRANCH NUMBER OR NAME	Telephone Number
6. FINANCIAL INSTITUTION ADDRESS Number and Street	City State Zip

SECTION C

1. CHECK APPROPRIATE BOX <input type="checkbox"/> Authorize direct deposit of payments due the entity named in Section A into the designated account. <input type="checkbox"/> Cancel direct deposit for the entity named in Section A.	
2. CERTIFICATION <input type="checkbox"/> I certify that the entire amounts authorized to be received by this account are not subject to be transferred to a foreign bank account. If this box is not checked, the State Controller's Office will issue all payments by <u>warrant only</u> .	
AUTHORIZED SIGNATURE FOR THE ENTITY NAMED IN SECTION A	PRINT OR TYPE NAME
TELEPHONE NUMBER	DATE

GENERAL INSTRUCTIONS

- To enroll for direct deposit of payments by the State Controller's Office, complete Sections A, B, and C of this form.
- To change, certify, or cancel your existing direct deposit information, complete Sections A, B, and C of this form.
- Contact your financial institution for your routing number and depositor account number.
- Your direct deposit will continue to be deposited into your designated account at your financial institution until the State Controller's Office is notified that you wish to redesignate your account and/or your financial institution. To redesignate, complete and submit a new form with the new information. **DO NOT CLOSE YOUR OLD ACCOUNT UNTIL YOUR FIRST PAYMENT IS DEPOSITED INTO YOUR NEWLY DESIGNATED ACCOUNT AND/OR FINANCIAL INSTITUTION.**
- This authorization remains in full force and effect until the State Controller's Office receives written notification from the entity of its termination, or until the State Controller's Office terminates the agreement.

Return this completed form to:

State Controller's Office
 Attn: Local Reimbursements Section
 Local Government Programs and Services Division
 3301 C Street, Suite 700
 Sacramento, CA 95816
 TEL (916) 322-8733, FAX (916) 323-6527

EXHIBIT C

DISTRICT INFORMATION TO BE PROVIDED FOR PRELIMINARY OFFICIAL STATEMENT

*In the event the District is determined to be a **Non State-Credit Issuer**, or if the District has **District Senior Existing Indebtedness**, the District may be asked to provide the following information for inclusion with the form of Preliminary Official Statement:

- Name of District
- Location by city or cities and county
- Number and type of schools operated
- Current approximate ADA/FTES
- Chart of Second Period ADA or FTES during the current (estimated) and past four years
- Statement as to Positive, Qualified or Negative Certificate from County Office of Education (K-12s only)
- Names and numbers of members of each bargaining unit and status regarding term of current contract or negotiations
- General Fund balance sheets, with audited numbers for Fiscal Years 2018-19, unaudited (or audited, if available) for 2019-20 and budgeted numbers for Fiscal Year 2020-21
- Other Post-Employment Benefits (OPEB): describe premiums paid for retirees, eligibility for retirement among employee groups, and total number of retirees currently receiving OPEB.
- Chart of outstanding long-term debt as of June 30, 2020 (or most current available)
- Sources of alternate liquidity
- Cash Flows for 2019-20 and projections for 2020-21

RESOLUTION CERTIFICATE

I, Jorge A. Aguilar, J.D., Superintendent and Secretary of the Board of Education of Sacramento City 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 Sacramento City Unified School District duly and regularly held at the regular meeting place thereof on the 16th day of December, 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:

Jessie Ryan:	_____	Aye	_____	No	_____	Abstain	_____	Absent
Christina Pritchett:	_____	Aye	_____	No	_____	Abstain	_____	Absent
Michael Minnick:	_____	Aye	_____	No	_____	Abstain	_____	Absent
Lisa Murawski:	_____	Aye	_____	No	_____	Abstain	_____	Absent
Leticia Garcia:	_____	Aye	_____	No	_____	Abstain	_____	Absent
Mai Vang:	_____	Aye	_____	No	_____	Abstain	_____	Absent
Darrel Woo:	_____	Aye	_____	No	_____	Abstain	_____	Absent

An agenda of said meeting was posted at least 72 hours before said meeting at 5735 47th Avenue, Sacramento, California, 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 \$96,000,000.

Dated: December 16, 2020

Jorge A. Aguilar, J.D.
Superintendent and Secretary of the Board of
Education of Sacramento City 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.

Sacramento City Unified School District

By _____
Name: Jessie Ryan
Title: President of the Board of Education

Countersigned

By _____
Jorge A. Aguilar, J.D.
Title: Superintendent and Secretary of the Board
of Education

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), Tax Certificate and the Secretary's Certificate attached to the Resolution must appear below):

NAME	OFFICE	SIGNATURE
Jessie Ryan	President	
Jorge A. Aguilar, J.D.	Superintendent and Secretary of the Board of Education	
Rose Ramos	Chief Business Officer	

District: Sacramento City Unified School District

Address: 5735 47th Avenue
Sacramento, CA 95824

County: Sacramento

Executed and entered into on the Purchase Date set forth in Schedule I attached hereto and incorporated herein.

Sacramento City Unified School District

By _____

Name: Rose Ramos

Title: Chief Business Officer

District: Sacramento City Unified School District

Address: 5735 47th Avenue
Sacramento, CA 95824

County: Sacramento

Executed and entered into on the Closing Date set forth on Page 1 of the DISTRICT TAX CERTIFICATE attached hereto and incorporated herein.

Sacramento City Unified School District

By _____

Name: Rose Ramos

Title: Chief Business Officer

District: Sacramento City Unified School District

Address: 5735 47th Avenue
Sacramento, CA 95824

County: Sacramento

Executed and entered into on the Date set forth on Page 1 of the District's "NOTICE TO THE STATE CONTROLLER PURSUANT TO EDUCATION CODE SECTION 17199.4" attached hereto and incorporated herein.

Sacramento City Unified School District

By _____

Name: Rose Ramos

Title: Chief Business Officer

[Signature Page to Intercept Notice]

[Notice to the State Controller Pursuant to Education Code Section 17199.4]

FORM OF REQUISITION FROM PROCEEDS ACCOUNT

To: U.S. Bank National Association, as Trustee

From: Sacramento City Unified School District

Dated: March ____, 2021

Re: California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series ____ (the "Program")

Requisition No. ____

The undersigned, on behalf of the Sacramento City Unified School District (the "Participant"), hereby requests payment, from the Proceeds Account of the Participant established with respect to the Participant's 2020-21 Tax and Revenue Anticipation Notes, Series [____], pursuant to the Program, the amount of \$_____ [by wire/check (circle one)] for purposes for which the Participant is authorized to use and expend moneys loaned to it by the Authority under the CSFA Act. If the payment is by wire, please fill in the following information:

[DISTRICT TO PROVIDE WIRING INSTRUCTIONS TO COUNTY TREASURY POOL WHERE DISTRICT WILL RECEIVE ITS NOTE PROCEEDS]:

Name of Bank: _____

ABA#: _____

Account No. _____

Reference: _____

The undersigned hereby certifies as follows:

1. The amount requisitioned hereby from the Proceeds Account(s) of the Participant 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 Participant and attributable to Fiscal Year 2020-21 and which are generally available for the payment of current expenses and other obligations of the Participant (collectively, "unrestricted revenues") less (b) projected uncollectible unrestricted revenues of the Participant attributable to such Fiscal Year.

2. The amount requisitioned hereby is for a purpose for which the Participant is authorized to use and expend funds loaned to it by the Authority under the CSFA Act.

3. The amount requisitioned hereby (if invested under the Investment Agreement) is not being requisitioned for reinvestment in other investments.

4. Other funds of the Participant are not readily available for expenditure for such purpose with respect to any operating draws.

5. The information contained herein is true and correct as of the date of this Requisition.

6. The representations of the Participant set forth in Section 15 of the Resolution of the Participant, providing for the borrowing of funds for Fiscal Year 2020-21 and the issuance and sale of one or more Series of 2020-21 Tax and Revenue Anticipation Notes therefor and authorizing participation in the Program (the “Participant 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.

7. As of the date hereof, no event has occurred and is continuing which constitutes an Event of Default under the Participant Resolution or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

8. [As of the date hereof, the Participant 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 2019-20 or Fiscal Year 2020-21, or (b) a certification applicable to Fiscal Year 2019-20 or Fiscal Year 2020-21 that is lower than the certification held by the Participant on the date the above-captioned Series of Authority Notes were issued, except that, if such Participant provides a certification from the County Superintendent or State Superintendent of Public Instruction, as applicable, that repayment of such Participant’s Note and any Additional Notes is probable is given, moneys may be disbursed.]

[Remainder of page intentionally left blank.]

District: Sacramento City Unified School District

Address: 5735 47th Avenue
Sacramento, CA 95824

County: Sacramento

Executed and entered into on the Date set forth on Page 1 of the District's "FORM OF REQUISITION FROM PROCEEDS ACCOUNT" attached hereto and incorporated herein.

Sacramento City Unified School District

By _____

Name: Rose Ramos

Title: Chief Business Officer

DISTRICT NOTE PURCHASE AGREEMENT

This Note 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 office 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 Finance Authority (the “Authority”), for the sale and delivery of the District’s 2020-21 Tax and Revenue Anticipation Notes with the series and priority designations specified in Exhibit A (the “Notes”) 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 Confirmation of Pricing (as hereinafter defined) and pooled with certain series of notes of other Issuers, with the Notes and series of notes of other Issuers assigned to secure one or more series (each a “Series”) of notes of the Authority (the “Authority Notes”) 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 2020-21”) 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 Notes in the Series Principal Amount in anticipation of the receipt by or accrual to the District during Fiscal Year 2020-21 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 Notes 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 Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals Program (the “Program”), whereby participating school districts, community college districts and county offices 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 comprised 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 Authority Notes 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 Authority Notes to RBC Capital Markets LLC and Citigroup Global Markets Inc., as co-managers, each as representatives of themselves and certain other underwriters of the Program (the “Underwriters”);

WHEREAS, the District, by adopting the Resolution and 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 Authority Notes identified in Exhibit A, which assignment has been determined by the Authority in its sole discretion, acting upon the advice of Montague DeRose & Associates, its municipal advisor (the “Municipal Advisor”) and the Underwriters;

WHEREAS, as indicated in Exhibit A, the payment by the District of its Notes 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 Authority Notes) by virtue or in form of such Series of Authority Notes 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 Underwriters, the Credit Provider and the costs of issuing the Series of the Authority Notes, and the costs, if applicable and upon the determination of the Underwriters, 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 Notes, or (b) five thousand dollars (\$5,000), and shall be confirmed in the Confirmation of Pricing applicable to such Notes; and

WHEREAS, pursuant to the Program, the Authority is submitting this offer to purchase the Notes 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 Notes (as indicated in Exhibit A), as described herein and in the Resolution.

Section 2. Purchase Price. The purchase price of the Notes shall be the purchase price set forth in a Confirmation of Pricing supplement to be delivered by the Underwriters on behalf of the Authority to the District on a date within 10 days after actual pricing of such Notes (or such later date as approved by the Underwriters) which, upon execution by the District, shall be attached hereto as Schedule I (the "Confirmation of Pricing") and incorporated as part of Exhibit A. The Note shall bear interest at an interest rate per annum set forth in the Confirmation of Pricing, 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 Notes. The delivery of the Notes (the "Closing") shall take place at 8:00 a.m., California time, on the closing date set forth in the Confirmation of Pricing or at such other time or date as may be mutually agreeable to the District, the Authority and the Underwriters, at the Los Angeles offices of Norton Rose Fulbright US LLP or such other place as the District, the Authority and the Underwriters shall mutually agree upon. At the Closing, the District shall cause the Notes 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 Notes set forth in the Confirmation of Pricing shall be deposited (i) in an amount indicated in the Confirmation of Pricing as the Deposit to the Proceeds Account of the District (and attributed to the Notes) held by the Trustee under the Indenture, and (ii) the remainder in the account (attributed to the Notes) in the Costs of Issuance Fund attributed to the Series of Authority Notes held by the Trustee under the Indenture. The District's Notes shall be made available to the Authority for inspection at least 24 hours prior to Closing.

[FOR NON STATE-CREDIT ISSUERS] If at any time prior to 25 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 Authority Notes (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 Underwriters thereof, and if, in the opinion of the Authority or the Underwriters, 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 Underwriters 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 Underwriters, and all reasonable expenses incurred thereby will be paid by the Underwriters.

Section 4. The Notes. The Notes 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 Underwriters 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 Underwriters as if set forth herein.

(b) A copy of the Resolution has been delivered to the Authority and the Underwriters, and the Resolution will not be amended or repealed without the consent of the Authority and the Underwriters, 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 11(H) of the Resolution.

(e) The District has previously issued the 2020-21 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 Notes 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 Norton Rose Fulbright US LLP (“Bond Counsel”) with respect to the validity of the Notes in form and substance acceptable to the District and its counsel.

(c) [Delivery of a legal opinion addressed to the Authority, the Underwriters and the Credit Provider, if any, dated the date of the Closing, of _____, special counsel to the

District, regarding due authorization, execution, delivery and validity of the Notes, in form and substance acceptable to the Authority, the Underwriters, 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 Authority Notes to secure such Series of Authority Notes.

(e) Delivery of each certificate, document, instrument and opinion required by the agreement between the Authority and the Underwriters for the sale by the Authority and purchase by the Underwriters of the Series of Authority Notes.

(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 Notes 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 Authority Notes, 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 Notes, the Series of Authority Notes, or any instrument securing the Note or the Series of Authority Notes 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 Underwriters to market the Series of Authority Notes.

(d) The Underwriters terminate their obligation to purchase the Series of Authority Notes pursuant to their agreement with the Authority for the purchase of such Series of Authority Notes.

Neither the Underwriters 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 Notes except the Underwriters shall be responsible for California Debt and Investment Advisory Commission fees and for their 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 Authority Notes 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 Authority Notes to which the Notes are 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 11 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 Notes.

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 Underwriters under the Purchase Agreement shall be given in writing at the addresses 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 Underwriters 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 Notes 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 Notes upon the execution hereof and execution of the Confirmation of Pricing applicable to such Notes by the District, and the Purchase Agreement, including the Confirmation of Pricing applicable to such Notes, shall be valid, binding and enforceable as to such Notes 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 FINANCE
AUTHORITY**

By _____
Executive Director

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 Finance 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: Sacramento City Unified School District

Address: 5735 47th Avenue
Sacramento, CA 95824

County: Sacramento

Executed and entered into on the Purchase Date set forth in Schedule I attached hereto and incorporated herein.

Sacramento City Unified School District

By _____
Name: Rose Ramos
Title: Chief Business Officer

Notices. Any notices to be given to the Authority or the Underwriters under the Purchase Agreement shall be given in writing at the following addresses:

If to the Authority:

California School Finance Authority
300 S Spring Street, Suite 8500
Los Angeles, California 90013
Attention: Executive Director
Katrina.johantgen@treasurer.ca.gov

California State Treasurer's Office
Public Finance Division
915 Capitol Mall, Room 261
Sacramento, California 95814
Attention: Director
bfowler@treasurer.ca.gov

If to the Underwriters, to the Senior Managers:

RBC Capital Markets, LLC
777 South Figueroa Street, Suite 850
Los Angeles, California 90017
Attention: Managing Director
Greg.dawley@rbccm.com

Citigroup Global Markets, Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, California 90071
Attention: Managing Director
Christopher.mukai@citi.com

SCHEDULE I

CONFIRMATION OF PRICING
APPLICABLE TO THE DISTRICT SERIES A NOTES

School District Information:

School District:	Sacramento City Unified School District
Address:	5735 47 th Avenue, Sacramento, CA 95284
County:	Sacramento
C-D Code (K-12 only):	34-67439
Joint Senior Managers:	RBC Capital Markets, LLC and Citigroup Global Markets, Inc.
Trustee:	U.S. Bank National Association

Terms of the Note:

Priority of Note:

Note Series	Senior
-------------	--------

Series Principal Amount of the Note:	Series A
--------------------------------------	----------

Priced to Yield: \$ _____

Interest Rate (Note Rate): _____%

Default Rate: _____%

Maturity Date: As specified in the Indenture.
_____, 20__

Interest Payment Date(s): _____, 20__

Premium: \$ _____

Underwriters' Discount \$ _____

Purchase Price
(Principal + Premium - UW Discount): \$ _____

Costs of Issuance \$ _____

Deposit to Proceeds Account (Series A): (net
of costs of issuance) \$ _____

Amount due at Maturity (Principal Amount
plus interest) \$ _____

Series of Authority Notes to which Note will be assigned: California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series ____]

Purchase Date: _____, 2021

Closing Date: _____, 2021

Approval Information:

Date of School District’s Resolution: _____, 2020

Date of School District’s Supplemental Resolution N/A

Maximum Borrowing Amount approved by District (“Principal Amount”) \$ _____

District has Fiscal Accountability Status:

County adopted Resolution: [___ yes ___ no]

Repayment Period:

First Repayment Period: _____, 20____ [Percentage of total Series] [___%]
through and including _____, 20____ Principal Amount [and \$_____
interest thereon due at maturity]:

Second Repayment Period: _____, 20____ [Percentage of total Series] [___%]
through and including _____, 20____ Principal Amount [and \$_____
interest thereon due at maturity]:

Third Repayment Period: _____, 20____ [Percentage of total Series] [___%]
through and including _____, 20____ Principal Amount [and \$_____
interest thereon due at maturity]:

Fourth Repayment Period:	_____, 20____ through and including _____, 20____	interest thereon due at maturity]: [Percentage of total Series] [__%] Principal Amount [and interest thereon due at maturity]: [Percentage of total Series] [__%] Principal Amount and interest thereon due at maturity:	\$_____ \$_____ \$_____
Fifth Repayment Period:	_____, 20____ through and including _____, 20____	interest thereon due at maturity]: [Percentage of total Series] [__%] Principal Amount [and interest thereon due at maturity]: [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. [TO BE UPDATED BASED ON STATE CREDIT ISSUER STATUS] [The Trustee shall transfer to the District's Payment Account relating to its Series A Notes from Deferral Amounts of the District received and 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 Confirmation of Pricing; provided, however, that on the first day of the last Repayment Period designated in such Confirmation of Pricing, or, if only one Repayment Period is applicable to the Series A Notes, on the first day of the Repayment Period designated in such Confirmation of Pricing, the Trustee shall transfer all Deferral Amounts of the District received and 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 Deferral Amount attributed to such Series of Notes is less than the corresponding percentage set forth in the Confirmation of Pricing 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 Deferral Amounts attributed to such Series of Notes on the day designated for such Repayment Period.]

2. [TO BE UPDATED BASED ON STATE CREDIT ISSUER STATUS] As provided in Section 53857 of the Act, notwithstanding the provisions of Section 53856 of the Act and of subsection (C) of Section 11 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 tenth Business Day (as defined in the Indenture) prior to the end of a Repayment Period the [Trustee for State Credit Issuer][District] has not received sufficient [Deferral Amounts][Unrestricted Revenues] of the District to permit the deposit into each Payment Account of the full amount of Pledged Revenues to be deposited therein from said [Deferral Amounts][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 Confirmation of Pricing, in such order of priority.]

Prior Notes:

Prior tax and revenue anticipation notes for 2020-21 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 Confirmation of Pricing Supplement (the “Purchase Agreement”), by and between the District and the California School Finance Authority, attached hereto and that:

(1) The undersigned has been duly authorized by the Governing Board of the District to execute this Confirmation of Pricing Supplement and take the other actions contemplated herein.

(2) The sale of the District’s Notes as contemplated in the Purchase Agreement, on the terms and conditions set forth in this Confirmation of Pricing Supplement, is hereby approved.

(3) The representations, warranties and covenants set forth in Section 5 of the Purchase Agreement and Section 15 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 filed or received a qualified certification or negative certification in Fiscal Year 2019-20 and/or Fiscal Year 2020-21 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 Underwriters, the Credit Provider (if applicable), and Bond Counsel (Norton Rose Fulbright US LLP). The District also covenants that it will immediately deliver a written notice to the Trustee, the Underwriters, the Credit Provider (if applicable) and Bond Counsel if it (or, in the case of County Offices of Education, the County Superintendent of Schools) files with the County Superintendent of Schools, the County Office 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 2020-21 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 2021, including the Series Principal Amount of the Notes, is not reasonably expected to exceed \$15,000,000 and (B) the Series Principal Amount of the 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, 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 Notes.

[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 Notes 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 Norton Rose Fulbright US LLP, Bond Counsel referred to in Section 16 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 Account treated for federal tax purposes as proceeds of the Notes attributable to cash flow borrowing is not low enough to qualify amounts held in the Proceeds Account for an exception from the Rebate Requirement on at least one date within the six month period following the date of issuance of the Notes (calculated in accordance with Section 16 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 2020-21 or, to the extent not available from such revenues, from any other moneys lawfully available, the amount of any such rebate referred to in Section 16 of the Resolution. [As set forth in greater detail in the District Tax Certificate, the District will certify as to its reasonably expected "maximum anticipated cumulative cash-flow deficit." To the extent, as set forth in the District Tax Certificate, less than 100% of the proceeds of the District Notes are treated as "spent" for purposes of Section 148 of the Internal Revenue Code of 1986 (the "Code") and the Treasury Regulations thereunder (the "Arbitrage Regulations"), the District shall be subject to the arbitrage rebate requirements (the "Rebate Requirement") of Section 148 of the Code. In such event, the District shall promptly notify the Authority in writing using a form of notification appended to the District Tax Certificate, that the District Notes do not qualify for an exception to arbitrage rebate and, therefore, proceeds of the District Note must be taken into account by the Authority's arbitrage rebate consultant in calculating the Authority's rebate liability, if any, with respect to the issue of Authority Notes to which the District Notes are allocable. The District agrees to pay to the Authority the District's share of the Authority's rebate liability, if any, as determined by the Authority's arbitrage rebate consultant.]

(6) The District covenants that it will not issue any additional tax and revenue anticipation notes during Fiscal Year 2020-21 unless such additional notes are issued in compliance with Section 5 of such Note Resolution.

(7) The District covenants that it will promptly notify the Credit Provider, if any, the Underwriters 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) [FOR NON STATE-CREDIT ISSUERS] I have reviewed the Preliminary Official Statement accompanying this Confirmation of Pricing 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 12 of the Resolution and this Confirmation of Pricing Supplement.

(10) I have read the Indenture accompanying this Confirmation of Pricing Supplement and approve all terms thereof and any changes made to the form approved pursuant to Section 6 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 Authority Notes pursuant to the Indenture.

(11) [FOR NON STATE-CREDIT ISSUERS] 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 Confirmation of Pricing 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 _____, 2021:

[List signatories to Resolution's Secretary's
Certificate, Note (if applicable), Purchase
Agreement, and District Closing Certificate]

Jessie Ryan, President, Board of Education
Jorge A. Aguilar, Superintendent and Secretary, Board of Education
Lisa Allen, Deputy Superintendent
Rose Ramos, Chief Business Officer

(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.

Sacramento City Unified School District

By: _____
Name:
Title:

INDENTURE

by and between

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

and

CALIFORNIA SCHOOL FINANCE AUTHORITY

Dated as of March 1, 2021

\$ _____

California School Finance Authority

2020-21 State Aid Intercept Notes

(Fiscal Year 2020-21 School and Community College District Deferrals)

Series A

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INDENTURE

This Indenture (the “Indenture”), dated as of March 1, 2021, by and between the CALIFORNIA SCHOOL FINANCE AUTHORITY (the “**Authority**”), a public instrumentality of the State of California, created by the California School Finance Authority Act (constituting Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California) (the “**CSFA Act**”), 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**”);

WITNESSETH:

WHEREAS, Section 53850 *et seq.* of the Government Code of the State of California (the “**Act**”) provides that tax and revenue anticipation notes (“**TRANS**”) may be issued by a school district, community college district, or county board of education pursuant to the terms of Section 53853(b) of the Act; and

WHEREAS, the Authority, acting pursuant to its powers under the constitution and laws of the State of California (the “**State**”), desires to provide assistance to one or more school districts, community college districts or county offices of education named in Schedule I hereto (with such other school districts, community college districts and county offices of education as may be identified in a Supplemental Indenture, each a “**Participant**” and collectively, the “**Participants**”) located within the State, in connection with their cash-flow borrowing needs; and

WHEREAS, the Participants, or any of them, may from time to time during the Fiscal Year (herein defined) need to borrow moneys at a tax-exempt [or taxable] rate of interest in order to meet their respective cash-flow needs, all pursuant to Section 53850 *et seq.* of the Act; and

WHEREAS, the Act provides that the respective California counties in which the Participants are located (each a “**County**” and collectively, the “**Counties**”) may issue tax and revenue anticipation notes or revenue anticipation notes on behalf of any requesting school district, community college district or county offices of education located in the respective County upon the satisfaction of certain conditions and subject to Section 53853 of the Act; and

WHEREAS, the Board of Supervisors of each of the Counties has either (i) failed or declined to authorize the issuance of the TRANS within the time period specified in said Section 53853 of the Act, or (ii) otherwise advised the respective Participant that one or more series of TRANS may be issued by the Participant on its own behalf in connection with the Program (defined below); and

WHEREAS, the Authority is authorized to issue bonds, notes, lease obligations, certificates of participation, commercial paper, and any other evidences of indebtedness to finance working capital (as defined in the CSFA Act) and capital improvements for school districts, community college districts, and county offices of education, including the Participants, pursuant to the CSFA Act; and

WHEREAS, the Authority has established a program (the “**Program**”) under which it will issue and sell one or more series of its notes and apply the proceeds from the sale of the notes to simultaneously purchase from the Participants TRAns to be issued by [or on behalf of] the Participants; and

WHEREAS, the Participants have determined to participate in the Program and to issue or cause to be issued and sell to the Authority 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 (collectively, the “**Series A District Notes**,” and with such other Additional District Notes (as hereinafter defined) as may be identified in a Supplemental Indenture, individually, a “**District Note**” and, collectively, the “**District Notes**”); and

WHEREAS, each Participant has authorized the pooling of each Series of its District Notes with certain Series of District Notes issued by other Participants, and the assignment by the Authority of such District Notes to the Trustee to secure the payment of one or more series of notes issued under this Indenture, as supplemented by Supplemental Indentures (each, a “**Series of Authority Notes**”) corresponding to such Series of District Notes, in order to achieve a lower net interest cost and lower costs associated with issuing the District Notes; and

WHEREAS, with respect to the Series A District Notes issued on _____, 2021, the Authority will issue its California School Finance Authority, State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series A (the “**Series A Authority Notes**”), which may include taxable and tax-exempt tranches, under this Indenture; and

WHEREAS, in connection with the Program, the Authority and the Participants have appointed Montague DeRose and Associates, LLC, as “**Municipal Advisor**,” the law firm of Norton Rose Fulbright US LLP as “**Note Counsel**,” Nixon Peabody LLP as “**Disclosure Counsel**,” and U.S. Bank National Association as Trustee, and RBC Capital Markets LLC and Citigroup Global Markets Inc., as joint senior managers, each acting on behalf of itself and other underwriters to be appointed by the State Treasurer at a later date (collectively, the “**Underwriters**”) have been appointed to purchase all of the Series A Authority Notes from the Authority; and

WHEREAS, each Participant has entered into an initial purchase agreement (each a “**District Note Purchase Agreement**”) with the Authority pursuant to which the Authority has agreed to purchase such Participant’s Series A District Notes and in connection therewith to issue the Series A Authority Notes to finance the purchase of such Series A District Notes; and

WHEREAS, each Participant has authorized the pooling of each Series of its District Notes with certain Series of District Notes issued by other Participants, and has acknowledged that the Authority will enter into this Indenture and will issue the Series A Authority Notes secured pursuant to the terms hereof by its Series A District Notes; and

WHEREAS, certain Participants may issue additional Series of District Notes (the “**Additional District Notes**”) from time to time to be purchased by the Authority and assigned to the Trustee to secure the payment of additional series of notes (the “**Additional Authority Notes**”

and collectively with the Series A Authority Notes, the “**Authority Notes**”) issued pursuant to this Indenture and one or more supplemental indentures (each, a “**Supplemental Indenture**” and together with this Indenture, the “**Indenture**”); and

WHEREAS, pursuant to the Program and this Indenture, the Authority has assigned and will assign its interest in each Series of District Notes to the Trustee to secure the payment of the corresponding Series of Authority Notes; and

WHEREAS, the Trustee, pursuant hereto, accepts the assignment of the Series A District Notes and all duties, obligations and trusts of the Trustee established in this Indenture; and

WHEREAS, the Trustee, pursuant to Supplemental Indentures, will accept the assignment of each series of Additional District Notes, if any; and

WHEREAS, each Series of Authority Notes may be secured by any credit facility (each a “**Credit Instrument**”) identified by type and provided by the entity, if any (each a “**Credit Provider**”), designated in Schedule I hereto with regard to the Series A Authority Notes or in a Supplemental Indenture with regard to a Series of Additional Authority Notes; 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 Indenture and delivery of the Series A Authority Notes 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 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 Authority Notes 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) and/or Supplemental Credit Enhancement(s) and the respective Credit Agreement(s) and/or Supplemental Credit Enhancement Agreement(s) shall be governed by the definitions set forth therein):

“**Act**” means 53850 *et seq.* of the Government Code of the State of California.

“Additional Authority Notes” means all California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals) (other than the Series A Authority Notes) authorized by and at any time Outstanding pursuant to this Indenture 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 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 Authority Notes.

“Additional Credit Instrument” means the instrument, if any, designated in a Supplemental Indenture as the credit instrument for a corresponding Series of Additional Authority Notes.

“Additional Credit Provider” means the credit provider, if any, designated in a Supplemental Indenture as the credit provider for the corresponding Series of Additional Authority Notes.

“Additional District Notes” means, collectively, the tax and revenue anticipation notes issued by or on behalf of one or more Participants in the respective Series and aggregate principal amounts thereof (whether or not such District Notes are the first or a subsequent Series of District Notes issued by or on behalf of such Participant), as set forth in a Supplemental Indenture and assigned to an Additional Pool securing each corresponding Series of Additional Authority Notes.

“Additional Interest Payment Date” means each date on which interest on a Series of Additional Authority Notes and the corresponding Series of District 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 Authority Notes are to be invested, executed and delivered by the Trustee on behalf of each of the Participants whose Series of Additional District Notes are assigned to such corresponding Series of Additional Authority Notes.

“Additional Pool” means each pool composed of Additional District Notes of a Series assigned to and securing the payment of a Series of Additional Authority Notes.

“Additional Principal Payment Date” means each date on which the principal of a Series of Additional Authority Notes and the corresponding Series of District Notes becomes due and payable, as specified in the applicable Supplemental Indenture.

“Additional Series Pledged Accounts” means, with respect to each Series of Additional Authority Notes, the Costs of Issuance Account relating to such Series of Additional Authority Notes, the Proceeds Accounts for each Series of Additional District Notes assigned to the Additional Pool relating to such Series of Additional Authority Notes, the Payment Accounts for each Series of Additional District Notes assigned to the Additional Pool relating to such Series of Additional Authority Notes, the Interest Account relating to such Series of Additional Authority

Notes, the Principal Account relating to such Series of Additional Authority Notes, and the Credit Account, if any, relating to such Series of Additional Authority Notes.

“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 Authority Notes.

“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 Authority Notes.

“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 Finance Authority, a public instrumentality of the State of California, created by the CSFA Act.

“Authority Note Payment Fund” means the fund by that name established in Section 3.02.

“Authority Notes” means, collectively, the Series A Authority Notes and all Additional Authority Notes.

“Authority Resolution” means that certain resolution adopted by the Authority Board on _____, 2021, pertaining to the issuance by the Authority of the Series A Authority Notes and the establishment of the Program for the Fiscal Year.

“Authorized Participant Representative” means the President or Chairperson, Secretary or Clerk of the governing board of a Participant, the Superintendent, the Superintendent/President, Chancellor, the Assistant Superintendent of Business, the Assistant Superintendent, the Vice President of Business and Administration, the Vice Chancellor of Administrative Services, the business manager, director of business or fiscal services or chief financial or business officer of the Participant, as the case may be, or the equivalent, or, in the absence of said officer, his or her duly appointed designee, or such other officers of a Participant designated in Section 4 of such Participant’s Resolution, or any other person at the time designated to act on behalf of such Participant by written certificate furnished to the Trustee, containing the specimen signature of such person and signed on behalf of such Participant by the Chair, the President, the Clerk or the Secretary of the governing board of such Participant, or the Superintendent, the Superintendent/President, or the Chancellor of such Participant.

“Business Day” means any day except (i) Saturday, (ii) Sunday, (iii) California State Holidays, or (iv) 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 or Supplemental Credit Enhancer 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 Participant, an instrument in writing signed on behalf of such Participant by an Authorized Participant 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.

“Change in State Law” means action by the State legislature following the issuance of a Series of Authority Notes in which the State advances or further defers the dates upon which the Deferral Amounts are to be paid.

“Closing Date” means [_____, 2021].

“Code” means the Internal Revenue Code of 1986 and the regulations issued or applicable thereunder.

“Confirmation of Pricing” means, collectively, those certain pricing confirmation supplements executed at the time of pricing each Series of District Notes and attached as Schedule I to the District Notes Purchase Agreements applicable to such Series of District Notes.

“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 Authority Notes, 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 Participant or the Authority and related to the authorization, execution and delivery of each Series of District Notes and the related sale of a Series of Authority Notes, which may include, but are not limited to, any fees, costs or premium for each Credit Provider’s Credit Instrument and each Supplemental Credit Enhancer’s Supplemental Credit Enhancement, costs of preparation, reproduction and delivery of documents, filing and recording fees, fees and charges of the Trustee, Trustee counsel fees, fees of the Authority and its Counsel, State Treasurer’s Office fees, Municipal Advisor fees, Note Counsel and Disclosure 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 Authority Notes and any other costs, charges or fees (including any supplemental credit enhancement on any individual District Note) in connection with the original issuance of a Series of District Notes and the applicable Series of Authority Notes.

“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 Authority Notes.

“Costs of Issuance Fund” means the fund by that name established in Section 3.02.

“County” or **“Counties”** means the California counties in which the Participants are located.

“County Treasurer” means the County Treasurer in any County in which a Participant is located.

“County Treasury Pool” means the local government money fund of the respective County Treasurer that invests the assets of the respective County’s school districts, community colleges and other public agencies in the region.

“Credit Account” means each account by that name established in Section 3.02.

“Credit Agreement” means, collectively, each Additional Credit Agreement.

“Credit Fund” means the fund of that name created by Section 3.02.

“Credit Instrument” means, collectively, each Additional Credit Instrument for the corresponding Series of Additional Authority Notes.

“Credit Provider” means, collectively, each Additional Credit Provider.

“CSFA Act” means Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California.

“Debt Service Payments” means the moneys paid by each Participant as and for payments of principal of and interest on its respective District Notes and Additional District Notes, if any, which moneys shall include the Pledged Revenues and amounts deposited in the related Participant’s Payment Account and any other moneys lawfully available therefor pursuant to the related District Resolution.

“Default Rate” means the rate of interest per annum payable with respect to the outstanding portion of each Defaulted District Note which (i) if the Defaulted District Notes are paid in whole or in part by an unreimbursed draw or claim or payment under or from a Credit Instrument and/or Supplemental Credit Enhancement applicable thereto, is the rate of interest per annum specified in, and calculated in accordance with, the corresponding Credit Agreement or Supplemental Credit Enhancement Agreement, as applicable, or (ii) if the Defaulted District Notes are unpaid and no Credit Instrument or Supplemental Credit Enhancement is applicable thereto, is the rate of interest per annum sufficient to produce a yield on the outstanding portion of such Defaulted District Notes equal to the rate or, in the case of a Series of Authority Notes, the rates of interest payable on the applicable Series of Authority Notes (or applicable portions thereof), computed on the basis of a 360-day year consisting of twelve thirty-day months.

“Defaulted District Note” means a District 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 and/or Supplemental Credit Enhancement 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.

“Deferral Amounts” means the principal apportionments designated by the State that would normally be distributed to Participants during the Deferral Months of the Fiscal Year but which instead have been deferred by State law to the Repayment Periods occurring during Fiscal Year 2021-22, subject to a Change in State Law.

“**Deferral Months**” means the months in which Deferral Amounts would normally be distributed but have instead been deferred by the State, and with respect to the Series A Authority Notes, means the months of February 2021 through and including June 2021.

“**Department**” means the California Department of Education.

“**Dissemination Agent**” means the State Treasurer, acting in its capacity as Dissemination Agent under the terms of any Continuing Disclosure Certificate applicable to the Authority Notes, or any successor dissemination agent designated in writing by the State Treasurer and which has filed with the State Treasurer a written acceptance of such designation.

“**District Note Purchase Agreement**” means each District Note Purchase Agreement by and between a Participant and the Authority relating to the purchase by the Authority of such Participant’s District Notes. “**District Note Purchase Agreements**” mean all such District Note Purchase Agreements, collectively.

“**District Notes**” means, collectively, the Series A District Notes and all Additional District Notes. “**District Note**” refers to the District Notes individually.

“**DTC**” or “**Depository Trust Company**” means The Depository Trust Company, New York, New York.

“**Electronic Means**” shall have the meaning set forth in Section 9.04 hereof.

“**Escrow Account**” means each Escrow Account created in the Escrow Fund under Section 3.03(d) relating to a Series of District Notes.

“**Escrow Fund**” means the fund by that name, established pursuant to Section 3.02.

“**Escrow Release Date**” means the date determined by the Authority following the computation by the Department of the Final June Deferral Amounts, and with respect to Series A Authority Notes, means [June __, 2021], or as soon as possible, but not later than three (3) Business Days following the Authority’s notification to the Trustee under Section 3.03(d) hereof.

“**Estimated June Deferral Amounts**” means the estimated calculation by the Department of the Deferral Amounts for the June 2021 Deferral Month based on the first principal apportionment (P-1) information.

“**Event of Default**” shall have the meaning ascribed thereto in Section 8.01 hereof and in each Participant Resolution.

“**Federal Securities**” means any of the following which are noncallable and which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

(1) direct general obligations (including stripped obligations) of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United

States of America), or obligations the payment of principal of and interest on which are directly or indirectly unconditionally guaranteed by, the United States of America;

(2) direct obligations (including stripped obligations) of any department, agency or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America; and

(3) refunded municipal obligations rated AAA by S&P, AAA by Fitch, or Aaa by Moody's, the timely payment of principal of and interest on are fully guaranteed by the United States of America.

“Final June Deferral Amounts” means the final calculation by the Department of the Deferral Amounts for the June 2021 Deferral Month based on the second principal apportionment (P-2) information.

“Fiscal Year” means the period from July 1, 2020 through and including June 30, 2021.

“Fitch” means Fitch Ratings, Inc., and its successors and assigns.

["Funds Subject to Intercept” means the Pledged Revenues representing State Aid and Other State Aid Subject to Apportionment.]

“Indenture” means this Indenture, dated as of [March] 1, 2021, 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 Account” means each account by that name established in Section 3.02.

“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 District 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.

“Municipal Advisor” means Montague DeRose & Associates LLC and its successors and assigns or such other financial advisory firm appointed by the Authority.

“Note Counsel” means Norton Rose Fulbright US LLP or an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the validity of, and tax-exempt nature of interest on, obligations issued by states and their political subdivisions, appointed by the Authority.

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

[**“Other State Aid Subject to Apportionment”** includes the categorical programs that are funded from the State School Fund designated for apportionment to a K-12 Participant or a Community College Participant.]

“Outstanding,” when used as of any particular time with reference to Authority Notes, means (subject to the provisions of Section 10.02) all Authority Notes except -

(1) Authority Notes cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Authority Notes paid or deemed to have been paid within the meaning of Section 11.01; and

(3) Authority Notes in lieu of or in exchange or substitution for which other Authority Notes shall have been authenticated and delivered by the Trustee hereunder.

“Owner” means the registered owner of any Outstanding Authority Note.

“Participant Resolutions” means the respective resolutions adopted by the governing boards of the Participants and, where applicable (and if a respective County elected to do so), in the case of school districts, community college districts and county offices of education that are not fiscally accountable, the respective resolutions adopted by the county boards of supervisors, in each case authorizing the issuance of District Notes in one or more Series under Section 53853 of the Act and approving the execution and delivery by the Authority of this Indenture, any Supplemental Indenture and the Authority Notes, as originally adopted and as it may from time to time be amended or supplemented in accordance therewith.

“Participants” means the California school districts, community college districts and county offices of education listed in Schedule I hereto with regard to the Series A Authority Notes and in a Supplemental Indenture with regard to Additional Authority Notes, and, where applicable, the Counties electing to be the issuers of the District Notes for the school districts that are not fiscally accountable, and in each case their successors and assigns.

“Payment Account” means each account created pursuant to each Participant’s Resolution and maintained by the Trustee in the Authority Note Payment Fund under Section 3.02 relating to a Series of District Notes, for the collection and deposit of Pledged Revenues for the repayment of the related Participant’s District Notes, including amounts held in the Payment Account and invested in Permitted Investments.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein and approved by the applicable Credit Provider and Supplemental Credit Enhancer, if any:

(1) Federal Securities;

(2) Any direct or indirect obligations of an agency or department of the United States of America whose obligations represent the full faith and credit of the United States of America, or which are rated A or better by Fitch, S&P or Moody's (or whichever one of them is then rating the applicable Series of Authority Notes);

(3) Interest-bearing deposit accounts (including certificates of deposit) in federal or State chartered savings and loan associations or in federal or State of California banks (including the Trustee), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by Moody's or S&P (or whichever one of them is then rating the applicable Series of Authority Notes);

(4) Commercial paper rated in the highest short-term rating category by Moody's or S&P (or whichever one of them is then rating the applicable Series of Authority Notes);

(5) Federal funds or bankers acceptances with a maximum term of one year of any bank which an unsecured, uninsured and unguaranteed obligation rating in the highest rating category of Moody's or S&P (or whichever one of them is then rating the applicable Series of Authority Notes);

(6) 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 Authority Notes);

(7) Units of a money-market fund portfolio rated in the highest rating category by S&P and Moody's (or whichever one of them is then rating the applicable Series of Authority Notes);

(8) Any obligations which are then legal investments for moneys of the Participants 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 Authority Notes);

(9) The applicable Investment Agreement or any substitute therefor (with, if applicable, the consent of the applicable Credit Provider or Supplemental Credit Enhancer) which substitution results in a maintenance of the original rating on the applicable Series of Authority Notes; 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 Authority Notes) 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 Authority Notes) 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 Authority Notes) to be rated in one of the two highest rating categories;

(10) 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 Authority Notes) approved by the applicable Credit Provider or Supplemental Credit Enhancer, and the Authority;

(11) The Local Agency Investment Fund managed by the office of the Treasurer of the State of California; or

(12) [For non-State credit Participants, if applicable, any County Treasury of a County in which the Participant 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.]

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

“Pledge Date” means the last Business Day of each Repayment Period.

“Pledged Revenues” means the revenues pledged by a Participant in its Participant Resolution for the payment of its District Notes and related Authority Notes.

“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 Authority Notes, (i) the respective obligations owed to the applicable Supplemental Credit Enhancer and Credit Provider under the corresponding Supplemental Credit Enhancement Agreement and Credit Agreement, respectively and, as the case may be, by the respective Participants whose Series of District Notes have been assigned to the Pool securing such Series of Authority Notes, (ii) all indemnification to the applicable Supplemental Credit Enhancer and Credit Provider, as the case may be, by such respective Participants, (iii) all other amounts due to the applicable Supplemental Credit Enhancer and Credit Provider by such respective Participants under the corresponding Supplemental Credit Enhancement Agreement and 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 under the corresponding Supplemental Credit Enhancement Agreement and Credit Agreement, as applicable, to the extent they are not Costs of Issuance, becoming due prior to an Event of Default under the respective Participant Resolutions.

“Principal Account” means each account by that name established in Section 3.02.

“Principal Office of the Trustee” means the principal corporate trust office of the Trustee, which, for the Trustee initially appointed hereunder, is located in San Francisco, California; provided that for transfer, exchanges, payment and registration of Authority Notes, “Principal

Office of the Trustee” shall mean the corporate trust office of U.S. Bank National Association in San Francisco, 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 Account**” means each Proceeds Account created in the Proceeds Fund under Section 3.03(b) relating to a Series of District Notes.

“**Program**” means the California School Finance Authority State Aid Intercept Notes (Fiscal year 2020-21 School and Community College District Deferrals) pursuant to which one or more Series of Authority Notes are issued by the Authority to assist Participants in financing cash flow deficits.

“**Purchase Agreement**” means each purchase agreement between the Authority and the Underwriters, relating to the purchase of the applicable Series of Authority Notes by the Underwriters thereof.

“**Rating Agency**” means Fitch, S&P and Moody’s, or whichever one of them is then rating the applicable Series of Authority Notes, 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 Authority Notes (i) the respective obligations of the respective Participants issuing a Series of Authority Notes that have been assigned to the Pool securing such Series of Authority Notes under the corresponding Supplemental Credit Enhancement Agreement and Credit Agreement, as applicable, including, without limitation, obligations evidenced by Defaulted District Notes, (ii) all indemnification to the corresponding Supplemental Credit Enhancer and Credit Provider, as applicable, by such respective Participants, (iii) all other amounts at any time due to the corresponding Supplemental Credit Enhancer and Credit Provider, as applicable, by such respective Participants under the Supplemental Credit Enhancement Agreement and 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, as applicable, under the Supplemental Credit Enhancement Agreement and Credit Agreement, as applicable, exclusive of Costs of Issuance, becoming due as a result of or after an Event of Default under the respective Participant Resolutions.

“**Released Escrow Amounts**” mean the amount on deposit in each Escrow Account which is the lesser of the Estimated June Deferral Amount then on deposit in the Escrow Account or the Final June Deferral Amount for a Participant.

“**Repayment Period**” shall have the meaning ascribed to such term in the District Participant Resolutions.

“Representation Letter” means that certain blanket letter of representations addressed to DTC, and pertaining to the issuance of Authority Notes in book-entry form.

“Representative” means RBC Capital Markets, LLC and Citigroup Global Markets, Inc., each as Representative of itself and the Underwriters named in the Series A Purchase Agreement, and such other underwriters as may be approved by the Authority, collectively, as underwriters and purchasers of each Series of Authority Notes under and pursuant to the respective series Purchase Agreement.

“Requisition” means, depending on the context, either a request from the Authority or Municipal Advisor for payment by the Trustee of Costs of Issuance, in the form set forth in Exhibit B for a Costs of Issuance Requisition, or a request from a Participant for payment by the Trustee of Proceeds Account funds, in the form set forth in Exhibit C for a Proceeds Account Requisition.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, 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.

“SEC” means the Securities and Exchange Commission.

“Securities Depository” means The Depository Trust Company, 570 Washington Blvd, 4th Floor, Jersey City, New Jersey 07310 Attn: Call Notification Department, or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depository as the Authority may designate to the Trustee in writing.

“Series” means any individual series of Authority Notes or District Notes, as designated in this Indenture, a Supplemental Indenture or a Participant Resolution, as applicable.

“Series A Authority Notes” means the \$_____ California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series A, authorized by, and at any time Outstanding pursuant to, this Indenture.

“Series A Costs of Issuance Account” means the account by that name established in Section 3.02.

“Series A District Notes” means the tax and revenue anticipation notes issued by the Participants in the respective Series and aggregate principal amounts, as described in Schedule I hereto and assigned to the Series A Pool securing the Series A Authority Notes.

“Series A Interest Account” means the account by that name established in Section 3.02.

“Series A Interest Payment Date” means each date on which interest on the Series A Authority Notes and the corresponding Series A District Notes becomes due and payable, being _____, 2021.

“Series A Investment Agreement” means that certain Investment Agreement, if any, identified in the Confirmation of Pricings relating to the Series A District Notes assigned to the Series A Pool securing the Series A Authority Notes pursuant to which net proceeds of a portion of the Series A Authority Notes are to be invested, as executed and delivered by the Trustee on behalf of each of the applicable Participants.

“Series A Pledged Accounts” means, with respect to the Series A Authority Notes, the Series A Costs of Issuance Account, the Proceeds Accounts for each Series of District Notes assigned to the Series A Pool, the Payment Accounts for each Series of District Notes assigned to the Series A Pool, the Series A Interest Account and the Series A Principal Account.

“Series A Pool” means the Pool composed of Series A District Notes assigned to and securing the payment of the Series A Authority Notes.

“Series A Principal Account” means the account by that name established in Section 3.02.

“Series A Principal Payment Date” means the date on which the principal of the Series A Authority Notes and the corresponding Series A District Notes becomes due and payable, being _____, 2021.

“Series A Purchase Agreement” means the Purchase Agreement by and between the Authority and the Representative related to the Series A Authority Notes.

“Series of Authority Notes” and **“Authority Notes of a Series”** means each Series of Authority Notes.

[**“State Aid”** means the State apportionment comprised of: (a) for K-12 Participants and county offices of education, revenues and funding included in the local control funding formula (LCFF), special education and funding for several other programs, or (b) for Community College Participants, revenues and funding for the student centered funding formula (“SCFF”) that are calculated using a base allocation tied to enrollment, a supplemental allocation primarily based on enrollment of low-income students and a student success allocation based on various performance metrics, pursuant to Section 84750.4 of the California Education Code.]

“State Controller” means the California State Controller.

“Supplemental Credit Enhancement” means, collectively, each Additional Supplemental Credit Enhancement.

“Supplemental Credit Enhancement Agreement” means, collectively, each Additional Supplemental Credit Enhancement Agreement.

“Supplemental Credit Enhancer” means, collectively, 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 Authority Notes.

“**Tax Certificate**” has the meaning ascribed thereto in Section 7.04(a) hereof.

“**Tax-Exempt Notes**” means [Authority Notes, the interest on which is intended to be excluded from the gross income of the holders thereof for federal income tax purposes.]

“**Taxable Notes**” means [Authority Notes not issued as Tax-Exempt Notes].

“**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 San Francisco, 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 this Indenture.

Section 1.02. Indenture Constitutes a Contract; Obligation of Indenture and Authority Notes. In consideration of the purchase and acceptance of any and all of each Series of the Authority Notes 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, and the Owners from time to time of the corresponding Series of Authority Notes;

(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 Section 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 Authority Notes and each Supplemental Credit Enhancer, and each Credit Provider relating to the Series A Authority Notes, all of which regardless of the time or times of their issue or maturity shall be of equal rank without preference, priority or distinction of any of such Series A Authority Notes over any other thereof; and each Series A Authority Note shall be a special obligation of the Authority payable solely from the moneys, rights and interest pledged for payment of the Series A Authority Notes in Section 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 Section 1.03(b) and Section 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 Authority Notes of such Series and each Additional Supplemental Credit Enhancer, and each Additional Credit Provider relating to such Series of Additional Authority Notes, 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 Authority Note of such Series over any other Additional Authority Notes of the same Series; and each Additional Authority Note 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 Authority Notes of such Series in Section 1.03(b) and 5.01 hereof.

Section 1.03. Pledge Effected by Indenture.

(a) Series A Authority Notes: 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 Authority Notes 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 Authority Notes, 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 Debt Service Payments on the respective Series A District Notes assigned to the Series A Pool, the documents evidencing and securing the same, the District Participant Resolutions to the extent relating to the Series A District 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 Authority Notes 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 to secure the payment of the principal of and interest on the Series A Authority Notes in accordance with the terms and the provisions of this Indenture.

(b) Each Series of Additional Authority Notes: 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 Authority Notes 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 Authority Notes, all moneys on deposit in the Additional Series Pledged Accounts (other than in the Rebate Fund) relating to such Series of Additional Authority Notes 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 Debt Service Payments on the corresponding Series of Additional District Notes assigned to the Additional Pool securing such Series of Additional Authority Notes, the documents evidencing and securing the same, the Participant Resolutions to the extent relating to such Series of Additional District 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 Authority Notes 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 to secure the payment of the principal of and interest on such Series of Additional Authority Notes (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; provided, however, that all amounts in the Credit Account, if any, of the Credit Fund attributable to each such Series of Authority Notes are pledged and shall be applied solely to payment of the principal of and interest on the corresponding Series of Authority Notes.

ARTICLE II

CONDITIONS AND TERMS OF AUTHORITY NOTES

Section 2.01. Initial Issuance of Authority Notes. The Authority Notes to be issued under this Indenture are hereby created initially in one Series consisting of the Series A Authority Notes. The Authority may at any time issue Additional Authority Notes pursuant to a Supplemental Indenture upon satisfaction of the conditions precedent set forth in Section 2.12 hereof.

The Series A Authority Notes are designated as the “California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series A.” The aggregate principal amount of Series A Authority Notes which may be issued and Outstanding under this Indenture shall be _____ dollars (\$_____), exclusive of Authority Notes executed and authenticated as provided in Section 2.09. The Trustee is hereby authorized and directed to authenticate the Series A Authority Notes in the aggregate principal amount of _____ dollars (\$_____). The Series A Authority Notes shall be initially delivered in the form of one Series A Authority Note for the full principal amount thereof and shall be registered in the name of “Cede & Co.,” as nominee of DTC.

Any Additional Authority Notes shall be designated as provided in the Supplemental Indenture pursuant to which such Additional Authority Notes are to be issued. The aggregate principal amount of Additional Authority Notes 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 Authority Notes. The Authority Notes shall be prepared in the form of fully registered notes in denominations of [one hundred thousand dollars (\$100,000)] or any integral multiple thereof. The interest on and principal of the Authority Notes shall be payable in lawful money of the United States of America. The interest on the Authority Notes shall be payable on the applicable Interest Payment Dates, and the principal of the Authority Notes 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 Authority Note as the absolute owner of such Authority Note for all purposes, whether or not such Authority Note 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 Authority Note 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 Authority Note to the extent of the sum or sums so paid. All Authority Notes 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.

Each Authority Note shall be dated the date of its initial issuance.

Section 2.03. Terms of the Authority Notes. (a) Terms of the Series A Authority Notes. Each Series A Authority Note 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 shall have the principal thereof payable on the Series A Principal Payment Date, upon surrender of the Series A Authority Note by the Owner thereof, at the Principal Office of the Trustee.

The interest payable on the Series A Authority Notes shall be computed on the basis of a 360- day year of twelve 30-day months.

The Series A Authority Notes shall not be subject to prepayment or redemption prior to the Series A Principal Payment Date.

(b) Terms of Additional Authority Notes. 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 Authority Notes shall be determined by the Authority at the time of issuance thereof pursuant to the Supplemental Indenture under which such Series of Additional Authority Notes are issued. Principal of and interest on such Series of Additional Authority Notes shall be payable in such manner as may be specified in such Supplemental Indenture.

Section 2.04. Form of Authority Notes. The Authority Notes and the form of assignment to appear thereon shall be in substantially the forms in Exhibit A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required thereby or hereby. The Authority Notes may be prepared in typewritten, lithographed or printed form.

Section 2.05. Execution of Authority Notes. The Authority Notes shall be executed by the Chairperson of the Authority, or by such other persons as shall have been authorized by resolution of the Authority to execute and attest the Authority Notes, by manual or facsimile signature and shall be authenticated by the Trustee by the manual signature of an authorized officer of the Trustee. The Authority Notes may, but need not bear the seal of the Authority, if any.

Section 2.06. Transfer and Exchange of Authority Notes. All Authority Notes 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 Authority Notes accompanied by delivery of a duly executed written instrument of transfer or exchange in a form acceptable to the Trustee. Whenever any Authority Note or Authority Notes shall be surrendered for transfer or exchange, the Trustee shall execute and deliver a new Authority Note or Authority Notes 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 Authority Notes surrendered pursuant to the provisions of this section shall be cancelled by the Trustee and shall not be redelivered.

Section 2.07. Registration Books. The Trustee will keep at its Principal Office sufficient books for the registration of the ownership, transfer or exchange of the Authority Notes, which books shall be available for inspection by the Authority, each Supplemental Credit Enhancer

or each Credit Provider, as applicable, the Participants 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 Authority Notes in such books as hereinabove provided. The ownership of any Authority Notes may be proved by the books required to be kept by the Trustee pursuant to the provisions of this section.

Section 2.08. Temporary Authority Notes. The Authority Notes may be initially delivered in temporary form exchangeable for definitive Authority Notes of like Series when ready for delivery, which temporary Authority Notes 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 Authority Note 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 Authority Notes. If the Authority executes and delivers and the Trustee authenticates temporary Authority Notes, it will prepare and authenticate definitive Authority Notes without delay, and in that case, upon demand of the Owner of any temporary Authority Notes, such definitive Authority Notes shall be exchanged without cost to such Owner for temporary Authority Notes at the Principal Office of the Trustee upon surrender of such temporary Authority Notes, and until so exchanged such temporary Authority Notes shall be entitled to the same benefit, protection and security hereunder as the definitive Authority Notes executed and delivered hereunder. All temporary Authority Notes surrendered pursuant to the provisions of this section shall be cancelled by the Trustee and shall not be redelivered.

Section 2.09. Authority Notes Mutilated, Destroyed, Lost or Stolen. If any Authority Note shall become mutilated, the Authority shall execute and deliver and the Trustee shall authenticate a new Authority Note of like tenor and Series in exchange and substitution for the Authority Note so mutilated, but only upon surrender to the Trustee of the Authority Note so mutilated, and every mutilated Authority Note so surrendered to the Trustee shall be cancelled by it. If any Authority Note 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 Authority Note of like tenor and Series and principal amount in lieu of and in substitution for the destroyed, lost or stolen Authority Note. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Authority Note authenticated and delivered by it under this section and of the expenses which may be incurred by it under this section. Any replacement Authority Note executed and delivered under the provisions of this section in lieu of and in substitution for any mutilated, destroyed, lost or stolen Authority Note shall be equally and proportionately entitled to the benefit, protection and security hereof with all other Authority Notes of the same Series executed and delivered hereunder; and the Trustee shall not be required to treat both the original Authority Note and any replacement Authority Note as being Outstanding for the purpose of determining the principal amount of Authority Notes which may be executed and delivered hereunder or for the purpose of determining any percentage of Authority Notes Outstanding hereunder, but both the original and the replacement Authority Note shall be treated as one and the same. Notwithstanding any other provisions of this section, rather than executing and delivering a new Authority Note for a mutilated, destroyed, lost or stolen Authority Note 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 Authority Note 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 Authority Notes wholly owned by the applicable Supplemental Credit Enhancer or Credit Provider, which shall be registered in the name of the applicable Supplemental Credit Enhancer, or Credit Provider (or applicable nominee), as the case may be, each Series of Authority Notes 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 Authority Note 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 Authority Notes issued hereunder shall be initially in the form of a single authenticated fully registered note for the full principal amount of such Series of Authority Notes. Upon initial execution of the respective Series of Authority Notes, the ownership of all such Authority Notes 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 Participants may treat DTC (or its nominee) as the sole and exclusive Owner of the Authority Notes registered in its name for the purposes of payment of the principal of and interest on such Authority Notes, selecting any Authority Notes or portions thereof to be prepaid, giving any notice permitted or required to be given to an Owner under this Indenture, registering the transfer of Authority Notes, 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 Participants shall be affected by any notice to the contrary. Neither the Trustee, the Authority nor the Participants 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 Authority Notes 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 Authority Notes, (iii) any notice which is permitted or required to be given to the Owners under this 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 Authority Notes, 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 Authority Notes 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 Authority Notes 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 Authority Notes of any Series that they be able to obtain certificates, 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 Authority Notes of such Series. In such event, the Authority Notes 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 Authority Notes 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 Authority Notes 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 certificates evidencing the Authority Notes of such Series then Outstanding. In such event, the Authority Notes 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 Authority Notes 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 Authority Notes and all notices with respect to each such Series of Authority Notes 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 Authority Notes is authorized under subsection (b) or (c) of this Section 2.10 or required because a Series of Authority Notes are held wholly in the name of the corresponding Supplemental Credit Enhancer or Credit Provider, as applicable, such transfer or exchange shall be accomplished upon receipt by the Trustee from the Owner thereof of the Authority Notes 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 Authority Notes are issued to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all such Series of Authority Notes, another securities depository as Owner of all such Series of Authority Notes, or the nominee of such successor securities depository, the provisions of Section 2.02, 2.03 and 2.06 shall also apply to, among other things, the registration, exchange and transfer of such Series of Authority Notes and the method of payment of principal of, premium, if any, and interest on such Series of Authority Notes.

Section 2.11. Registration of Authority Notes Held Wholly in the Name of a Supplemental Credit Enhancer or Credit Provider. (a) Each Series of Authority Notes held wholly in the name of the corresponding Supplemental Credit Enhancer or Credit Provider shall be transferred to, and registered in the name of, such Supplemental Credit Enhancer or Credit Provider, as the case may be, or to such person as such Supplemental Credit Enhancer or Credit

Provider may direct, unless such Supplemental Credit Enhancer or Credit Provider otherwise consents in writing. All such Series of Authority Notes shall be labeled by the Trustee as not transferable to any person other than the Authority, the Participants or such Supplemental Credit Enhancer or Credit Provider, as applicable.

(b) In the event a Supplemental Credit Enhancer or a Credit Provider sells or transfers the corresponding Series of Authority Notes described in this Section 2.11, such Supplemental Credit Enhancer or 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 Authority Notes. The Authority may at any time issue a Series of Additional Authority Notes 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 District 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 Authority Notes 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 Authority Notes:

(a) The Authority shall be in compliance with all agreements and covenants contained herein.

(b) Each Participant that is seeking to issue a Series of Additional District Notes in connection with such Series of Additional Authority Notes and that has previously adopted a Participant Resolution and issued District Notes in connection with one or more prior Series of Outstanding Authority Notes, shall be in compliance with all agreements and covenants contained in each such Participant Resolution, shall not issue Additional District Notes unless such Additional District Notes are issued in compliance with Section 2(B) of such Participant 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 Participant 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 Participant Resolution, and no Event of Default shall have occurred and be continuing with respect to any such outstanding previously issued notes or Series of District Notes.

(c) The aggregate principal amount of Authority Notes 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 Authority Notes 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 Authority Notes, 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 Authority Notes 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 this Indenture relating to such Series of Additional Authority Notes.

(e) Before such Series of Additional Authority Notes 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 Authority Notes constitute the valid and binding obligations of the Authority, (B) such Additional Authority Notes are special obligations of the Authority and are payable from interest and principal payments made by the applicable Participants on their respective corresponding District 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 Participant whose District Notes will secure such Series of Additional Authority Notes 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 Participant Resolution and any supplemental Participant Resolution, if applicable, of each Participant that is seeking to issue a Series of Additional District 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 Participants, the Supplemental Indenture, and any Additional Supplemental Credit Enhancement Agreement, Additional Credit Agreement, or Additional Investment Agreement, and authorizing the issuance of the Additional Authority Notes.

(5) An executed counterpart or duly authenticated copy of the applicable Purchase Agreement with each participating Participant, the Supplemental Indenture, and any Additional Supplemental Credit Enhancement Agreement, Additional Credit Agreement, or Additional Investment Agreement.

(6) A Confirmation of Pricing relating to such Series of Additional Authority Notes from each participating Participant.

(7) The executed Series of Additional District Notes and Additional Authority Notes from the issuers thereof.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's receipt of Certificates of each Participant 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 Authority Notes in accordance with the Supplemental Indenture then delivered to the Trustee), the Trustee shall authenticate and deliver said Additional Authority Notes, 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 Authority Notes shall be valid and binding notwithstanding any defects in satisfying any of the foregoing requirements.

ARTICLE III

PROCEEDS OF AUTHORITY NOTES

Section 3.01. Delivery of Authority Notes. The Trustee is hereby authorized to authenticate and deliver the Series A Authority Notes to the Representative thereof pursuant to the Purchase Contract applicable to the Series A Authority Notes, upon receipt of a written Request of the Authority, the Series of District Notes comprising the Pool securing the Series A Authority Notes and the proceeds of sale of the Series A Authority Notes.

Section 3.02. Establishment of Funds and Accounts; Deposit of Authority Note 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 Authority Notes,

(2) the Proceeds Fund, and therein:

(A) a separate Proceeds Account for each Series A District Note assigned to the Series A Pool, and

(B) a separate Proceeds Account for each Additional District Note assigned to each Additional Pool,

(3) the Authority Note Payment Fund, and therein:

(A) a separate Payment Account for each Series A District Note assigned to the Series A Pool, and

(B) a separate Payment Account for each Additional District Note assigned to each Additional Pool,

(4) the Pool Interest Fund, and therein:

(A) the Series A Interest Account, and

(B) a separate Interest Account for each Series of Additional Authority Notes,

(5) the Pool Principal Fund, and therein:

(A) the Series A Principal Account, and

(B) a separate Principal Account for each Series of Additional Authority Notes,
and

(6) the Escrow Fund, and therein:

(A) a separate Escrow Account for each Series A District Note assigned to the Series A Pool with an Estimated June Deferral Amount, and

(B) a separate Escrow Account for each Additional District Note assigned to each Additional Pool,

and

(7) if applicable, the Credit Fund, and therein:

(A) a separate Credit Account for each Series of Additional Authority Notes.

(b) The proceeds received from the sale of the Series A Authority Notes 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 Accounts attributable to the Series A District Notes assigned to secure the Series A Authority Notes in the amounts set forth in Schedule II hereto) \$ _____

Escrow Fund (with deposits to Escrow Accounts attributable to the Series A District Notes assigned to secure the Series A Authority Notes in the amounts set forth in Schedule III hereto) \$ _____

Section 3.03. Use of Money in the Costs of Issuance Fund, Proceeds Fund, Payment Fund and Escrow Fund.

(a) (1) Costs of Issuance Fund. 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 Authority Notes upon receipt of a Requisition in substantially the form attached hereto as Exhibit B submitted by the Authority or the Municipal Advisor. In the event the total of any Requisition exceeds the amount then on deposit in the Costs of Issuance Fund, the Trustee shall promptly notify the Authority of the shortfall, and await further instructions from the Authority

(2) On the earliest of [September 1, 2021], 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 Authority Notes specified in writing by the Municipal Advisor to the Trustee, including any initial or additional fees or expenses of the Trustee, or any identified Predefault Obligations and Reimbursement Obligations attributable to the Series A Authority Notes, shall be transferred to the Authority Note Payment Fund and credited to the Payment Accounts therein attributable to the Series A District Notes assigned to secure the Series A Authority Notes, in proportion to the amounts initially deposited in the Series A Costs of Issuance Account from proceeds of the Series A Authority Notes attributable to each Participant, as set forth in a certificate of the Municipal Advisor submitted to the Trustee.

(3) On the date set forth in the applicable Supplemental Indenture relating to a Series of Additional Authority Notes, amounts, if any, remaining in the Costs of Issuance Account relating to such Series of Additional Authority Notes and not required to pay identified Costs of Issuance for such Series of Additional Authority Notes specified in writing by the Municipal Advisor to the Trustee, including any initial or additional fees or expenses of the applicable Additional Credit Provider or Additional Supplemental Credit Enhancer, or the Trustee, or any identified Predefault Obligations and Reimbursement Obligations attributable to such Series of Additional Authority Notes, shall be transferred to the Authority Note Payment Fund and credited to the Payment Accounts therein attributable to the corresponding Series of Additional District Notes assigned to secure such Series of Additional Authority Notes, in proportion to the amounts initially deposited in such Costs of Issuance Account from the proceeds of such Series of Additional Authority Notes attributable to each Participant, as set forth in a certificate of the Municipal Advisor submitted to the Trustee.

(b)(1) Proceeds Fund. All money in the Proceeds Fund shall be transferred by the Trustee at Closing as directed by the Authority. The Trustee shall establish an account in the Proceeds Fund for each Series of District Notes of each Participant assigned to a Pool (each a "Proceeds Account"). Funds in the Proceeds Fund shall be credited to the Proceeds Account attributable to the applicable Series of District Notes in amounts set forth in Schedule II hereto with respect to each of the Series A District Notes, and as subsequently set forth in the applicable Supplemental Indenture with respect to each Series of Additional District Notes.

(2) Moneys in each Proceeds Account shall be disbursed by the Trustee in the name of the Participant to the County Treasury Pool of the Participant that issued the related Series of District Notes at Closing or as soon as practical, pursuant to a Certificate of the Authority, and shall be used by the Participant for any purpose for which the Participant is authorized to use and expend moneys loaned to it by the Authority under the CSFA Act.

(c) Authority Note Payment Fund. The Trustee shall transfer from each Payment Account attributable to a Series of District Notes of a Participant to the corresponding Authority Note Payment Fund attributable to such Series of District Notes of such Participant, taking into consideration investment earnings (as set forth in a Certificate from the Municipal Advisor to the Trustee) anticipated to be received by the principal and/or interest payment date applicable to such respective Series of District Notes:

(1) on the tenth Business Day of each Repayment Period designated on the face of such Series of District Notes of such Participant (or, with respect to a Series of Additional District Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding

Series of Additional Authority Notes), 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 Participant's respective Series of District Notes as designated on the face of such respective Series of District Notes, and

(2) on the tenth Business Day of the last Repayment Period applicable to such Series of District Notes of such Participant (or, with respect to a Series of Additional District Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding Series of Additional Authority Notes), or, if only one Repayment Period is applicable to such Series of District Notes, on the tenth Business Day of such Repayment Period (or, with respect to a Series of Additional District Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding Series of Additional Authority Notes), an amount equal to the lesser of (i) the principal of and interest on such Series of District Notes, less any amounts transferred to such Payment Account from excess amounts in the Costs of Issuance Account of the related Series of Authority Notes 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 District Notes, and (ii) the total amount, if any, remaining in the corresponding Escrow Account attributable to such Series of District Notes of such Participant.

If on the tenth Business Day of the first (or single) Repayment Period applicable to such Series of District Notes of such Participant (or, with respect to a Series of Additional District Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding Series of Additional Authority Notes), the amount in the related Payment Account is less than the aggregate amount required to be transferred pursuant to clause (1) above, the Trustee shall transfer the amount [next received from the State Controller on behalf of the Participant] equal to the shortfall to the corresponding Payment Account in the Authority Note Payment Fund on such day of receipt.]

(3) Payments made by or on behalf of each Participant with respect to a Series of its District Notes prior to the tenth Business Day of any Repayment Period (as defined in such Participant's Resolution and indicated on the face of each such Participant's Series of District Notes) for such Series of District Notes shall be credited to the Payment Account related to such Series of District Notes, provided, however, with respect to a Participant that has issued more than one Series of District Notes, that payments made with respect to a Series of District Notes prior to the last day of the first Repayment Period of such Series of District Notes, shall, to the extent of any deficiency with respect to payments due on any other Series of District Notes of such Participant in any Repayment Period applicable to such other Series of District Notes, be applied to such deficiency and deposited in the Payment Account(s) attributable to such other Series of District Notes of such Participant in accordance with the priority provisions set forth in subsection 11(B) or 11(G), as applicable, of such Participant's Resolution. Amounts deposited in the Payment Account shall not be available for disbursement to such Participant, except as provided in Section 5.01 (k).

Except as expressly provided herein, neither the Authority nor the Trustee shall have any obligation or liability to the Beneficial Owners of the Authority Notes with respect to payment of principal of or interest on the District Notes or the observance or performance by any Participant

of any obligations or agreements or the exercise of any rights under the respective Participant Resolutions.

(d) Escrow Fund. All moneys in the Escrow Fund shall be deposited by the Trustee at Closing as directed by the Authority. The Trustee shall establish an account in the Escrow Fund for each Series of District Notes of each Participant assigned to a Pool with an Estimated June Deferral Amount (each an “Escrow Account”). The portion of District Note Proceeds reflecting the Estimated June Deferral Amounts for such Participant will be sequestered into an Escrow Account held by the Trustee in the name of each Participant. Funds in the Escrow Fund shall be credited to the Escrow Accounts attributable to the applicable Series of District Notes in amounts set forth in Schedule III hereto reflecting the Estimated June Deferral Amounts with respect to each such Series A District Note, and as subsequently set forth in the applicable Supplemental Indenture with respect to each Series of Additional District Notes.

The amounts on deposit in the Escrow Fund shall be [invested by the Trustee in Permitted Investments] until the Escrow Release Date. Prior to the Escrow Release Date, the Authority will provide the Trustee with instructions indicating the Released Escrow Amounts for each Escrow Account. On the Escrow Release Date, the Trustee shall transfer in the name of the Participant for deposit in its County Treasury Pool the applicable Released Escrow Amount. The amount remaining in each Escrow Account following the Escrow Release Date, if any, shall be transferred by the Trustee to that Participant’s Payment Account first, as a credit towards the payment on each Series of District Notes and, second, for payment of corresponding Predefault Obligations and Reimbursement Obligations of or allocable to such Participant, and, third, shall be returned to such Participant after the last day of the last Repayment Period applicable to such Series of District Notes.

In addition, with respect to a Participant that has issued several Series of District Notes, the Trustee shall not disburse any moneys from any Escrow Accounts related to such Participant if it has received written notice or actual knowledge that an Event of Default has occurred and is continuing under any Participant Resolution or supplemental Participant Resolution, if any, of such Participant.

ARTICLE IV

TRUSTEE’S DUTIES REGARDING DISTRICT NOTES

Section 4.01. Authenticating Agent. The Trustee shall be the authenticating agent for the Participants in connection with the issuance of each Series of District Notes under each Participant Resolution.

Section 4.02. Registrar and Paying Agent. The Trustee shall be the registrar and paying agent for each Series of the District Notes. As long as any Series of District Notes is outstanding under the applicable Participant Resolution, the issuing Participant shall maintain and keep an office or agency at the Principal Office of the Trustee for making Debt Service Payments on the corresponding Series of District Notes and for the registration and transfer of such Series of District Notes.

Section 4.03. Cancellation of Paid District Notes. Each Series of District Notes, when paid in full (including by reimbursement to the applicable Supplemental Credit Enhancer or Credit Provider, as applicable, as provided in Section 6.01), shall be cancelled by the Trustee; provided, however, that each Series of District Notes shall be deemed outstanding and shall not be cancelled by the Trustee until (i) the Owners of the corresponding Series of Authority Notes have been paid in full with respect to such Series of District Notes, and (ii) the Supplemental Credit Enhancer or Credit Provider, as applicable, has been reimbursed for the drawings or payments made under the Supplemental Credit Enhancement or Credit Instrument, as applicable, related to such Series of District Notes and all Predefault Obligations and Reimbursement Obligations due and owing such Supplemental Credit Enhancer or Credit Provider, as applicable, related to such Series of District Notes have been paid.

ARTICLE V

DISTRICT NOTE PAYMENTS AND INTERCEPT

Section 5.01. Assignment of District Notes and Intercept. (a) Each Series of District 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 Authority Notes and the corresponding Supplemental Credit Enhancer or Credit Provider, as applicable, (ii) the payments on each such Series of District Notes shall be used for the punctual payment of the interest on and principal of the corresponding Series of Authority Notes or the reimbursement of drawings under or payments made pursuant to or from the corresponding Supplemental Credit Enhancement or, Credit Instrument, as applicable, and (iii) each such Series of District Notes shall not be used for any other purpose (including the payment of Authority Notes of a different Series or reimbursements to the Supplemental Credit Enhancer or Credit Provider, as applicable, relating to a different Series of Authority Notes) so long as any of the corresponding Series of Authority Notes remain Outstanding.

(b) Subject to Section 5.01(c) hereof, all payments on a Series of District Notes assigned to a particular Pool shall be applied to payment of the interest on and principal of the corresponding Series of Authority Notes (including reimbursement of the corresponding Supplemental Credit Enhancer or Credit Provider, as applicable).

(c) Notwithstanding any other provisions of this Indenture, with regard to a Participant that has issued more than one Series of District Notes, to the extent, on any Interest Payment Date or Principal Payment Date, there is a deficiency with respect to any Series of District Notes of such Participant and to the extent any payment on any Series of District Notes of such Participant is being made from moneys other than the proceeds of a Series of District Notes, the Trustee shall apportion all such payments received from such Participant relating to all of its District Notes in accordance with the priority provisions set forth in Section 11(G) of such Participant's Resolution, and the Trustee shall apply such apportioned payments according to the preceding paragraph with respect to each such Series of District Notes. Moneys in the Payment Account attributed to a Series of District Notes of one Participant shall not be used in any manner (directly or indirectly) to make

up any deficiency in the Payment Account attributed to a Series of District Notes of another Participant.

(d) As security for the payment of the principal of and interest on all Series of District Notes issued under the applicable Participant Resolution, subject to the payment priority provisions set forth therein, each Participant has pledged the Pledged Revenues in an amount equal to the percentages of the principal and interest due with respect to its Series of District Notes at maturity for the corresponding Repayment Periods specified in its Confirmation of Pricing. 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 Debt Service Payments of and all other rights under the District Notes of each Series, including the Pledged Revenues and any other amounts deposited in the respective Payment Accounts as provided in the related Participant Resolutions, 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 District Notes of each Series and as applicable, without any physical delivery thereof, notice, filing or further act. Each Participant has approved, and the Trustee hereby accepts, such assignment of the District Notes of each Series, as and when issued.

(e) In order to effect, in part, the pledge provided for in subsection (d) of this Section, each Participant pursuant to its Participant Resolution has agreed to the establishment and maintenance of its Payment Account for each Series of District Notes issued thereunder, and the Trustee was appointed as the responsible agent to maintain such fund until the payment of the principal of the corresponding Series of District Notes and the interest thereon. Pursuant to its Participant Resolution, each Participant has covenanted and agreed to cause to be deposited directly in its applicable Payment Account in each Repayment Period from (i) the [Pledged Revenues]/[Funds Subject to Intercept], as further described in clause (f) below and (ii) at the Participant's option, Unrestricted Revenues (as defined in the Participant Resolution) during any Repayment Period, taking into consideration anticipated investment earnings thereon to be received by the Maturity Date applicable to the respective Series of District Notes [(as set forth in a certificate from the Municipal Advisor to the Trustee)], an amount equal to the percentages of the principal of and interest due with respect to such Series of District Notes at maturity specified in the Confirmation of Pricing applicable to such Series of District Notes. Any moneys placed in the Payment Account attributed to a Series of District Notes shall be for the benefit of the owners of the corresponding Series of Authority Notes. The moneys in the Payment Account attributed to the Series of District Notes shall be applied only for the purposes for which the Payment Account was created until the principal of such Series of District Notes and all interest thereon are paid or until provision has been made for the payment of the principal of such Series of District Notes at maturity of such Series of District Notes with interest to maturity (in accordance with the requirements for defeasance of the corresponding Series of Authority Notes, as set forth in Article XI of this Indenture). If any Participant fails to make the required deposits (or the State Controller deposits are not made on any Participant's behalf), the Trustee shall as soon as practical (but in any event within three Business Days) notify the Authority, such Participant and the applicable Credit Provider and Supplemental Credit Enhancer, as applicable, of such failure.

(f) Pursuant to its Participant Resolution, each Participant has elected to participate in the intercept by the State Controller of moneys designated for apportionment to the Participant attributable to Fiscal Year 2020-21 to pay the Participant's Series of District Notes. In accordance

with the requirements set forth in Section 17199.4 of the California Education Code and to effect the pledge contained in its Participant Resolution, each Participant has authorized and instructed the State Controller to intercept Pledged Revenues from moneys designated for apportionment to the Participant for Fiscal Year 2020-21, and to transfer such amounts to the Trustee for deposit into its Payment Account with a designation to the Trustee of the amounts to be credited for that Participant. Upon such deposit, such funds will be invested by the Trustee in such Permitted Investments as directed by the Authority and will not be available to the Participants.

(g) The Trustee shall transmit or cause to be transmitted a monthly statement on a per-Participant basis of all transactions and investments made by or through the Authority and all amounts on deposit with the Authority hereunder, including, in the event that sufficient Pledged Revenues have not been timely deposited in a Participant's Payment Account in accordance with its Participant Note Resolution, written confirmation of such event, to the Authority.

(h) All Pledged Revenues, including Debt Service Payments, with respect to each Series of District 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 District Notes in the Authority Note Payment Fund (except as otherwise provided in Section 5.01(c)), which fund the Trustee hereby agrees to maintain so long as any Authority Notes are Outstanding, and all money in such account shall be held in trust by the Trustee for the benefit and security of the Owners of the related Series of Authority Notes and each related Supplemental Credit Enhancer or Credit Provider, as applicable, to the extent provided in Section 1.03 and generally herein.

(i) In the event that there have been insufficient Pledged Revenues received by or attributed to a Participant by the [tenth Business Day] prior to any Interest Payment Date (if different from the Maturity Date) and on the Maturity Date of a Series of District Notes to permit the deposit into such Participant's Payment Account of the full amount of the Pledged Revenues required to be deposited with respect to such date, the Participant has authorized the Authority, on its behalf, to direct the State Controller [or for non-State credit Participants, the County Treasurer] to collect the amount of any deficiency and deposit such amount in its Payment Account in such amount as may be directed by the Participant or the Authority on behalf of the Participant, [from any other unrestricted moneys of the Participant accruing from the fiscal year 2020-21 and lawfully available for the payment of the principal of the Series of District Notes and the interest thereon on such Interest Payment Date (if different from the Maturity Date) and on the Maturity Date of a Series of District Notes or thereafter on a daily basis, when and as such Pledged Revenues [and unrestricted moneys] are received by or on behalf of the Participant and will deposit said moneys with the Trustee for deposit directly in its Payment Account.

(j) Notwithstanding anything contained herein to the contrary, if the amount on deposit in a Participant's Payment Account attributable to a Series of its District Notes is in excess of the amounts required to pay the principal of and interest due with respect to such Participant's Series of District Notes on the Principal Payment Date applicable to such Series of District Notes, such excess amounts shall remain in such Payment Account and shall be transferred to such Participant following (i) payment of the principal of and interest on the Series of Authority Notes corresponding to such Series of District 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 of any Reimbursement Obligations and Predefault Obligations corresponding to such Series of District Notes applicable to such Participant, and (iii) to the extent that such excess amounts do not constitute proceeds of such Series of District Notes, payment of any amounts due with respect to any other Series of District Notes of the Participant (including any reimbursement obligations to any corresponding Supplemental Credit Enhancer or Credit Provider, as applicable) in accordance with the priority provisions set forth in Sections 11(D), 11(G) and 20 of such Participant's Resolution, and as otherwise set forth therein.

Section 5.02. Transfer of Money from the Authority Note 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 Authority Note Payment Fund and attributed to all Series of District Notes assigned to the related Series of Authority Notes 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) Interest Accounts in the Pool Interest Fund Relating to Series of Authority Notes. The Trustee, on each Interest Payment Date, shall transfer from the applicable Payment Accounts to the applicable Interest Account, that amount of money representing the interest becoming due and payable on the related Series of Authority Notes on such Interest Payment Date. All money in each Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the related Series of Authority Notes on their respective Interest Payment Dates.

(b) Pool Principal Accounts in the Pool Principal Fund Relating to Series of Authority Notes. 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 Principal Account, that amount of money representing the principal becoming due and payable on the related Series of Authority Notes on such Principal Payment Date. All moneys in each Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the related Series of Authority Notes 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 Authority Notes and each Proceeds Account attributable to the Series A Authority Notes 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 Participant, shall be invested with respect to its corresponding Payment Account or Proceeds Account, as directed by such Participant) 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 Authority Notes or a Proceeds Account attributable to the Series A Authority Notes, 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 Accounts will be accounted for separately for the respective Participants. Any money held by the Trustee in the Authority Note

Payment Fund attributable to a Series of Additional Authority Notes and in Proceeds Accounts attributable to a Series of Additional Authority Notes shall be invested as directed in the Supplemental Indenture pursuant to which such Series of Additional Authority Notes 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 Authority Note Payment Fund and Proceeds Fund attributable to a Series of Additional Authority Notes (which may be commingled with respect to each other, but not with respect to the accounts in such funds attributable to other Series of Authority Notes), the Credit Fund 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 AND SUPPLEMENTAL CREDIT ENHANCEMENTS

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 Authority Notes on each Interest Payment Date and the Principal Payment Date applicable to such Series of Authority Notes. Moneys drawn under or paid pursuant to a Credit Instrument and/or Supplemental Credit Enhancement shall be deposited in the Credit Account attributable to the corresponding Series of Authority Notes 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 Authority Note 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 Interest Account in the Pool Interest Fund corresponding to such Series of Authority Notes 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 Interest Account in the Pool Interest Fund and the related 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 Authority Notes pro rata, and shall be allocated to each Series of District Notes assigned to the Pool securing such Series of Authority Notes 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 Credit Account for such Series of Authority Notes 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 Authority Notes. Moneys in each 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 Authority Notes (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 Authority Notes, (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 District Note or District Notes assigned to the Pool securing the corresponding Series of Authority Notes in order to pay principal of and/or

interest due on such Series of Authority Notes 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 Credit Account for the corresponding Series of Authority Notes in the Credit Fund and applied to the payment of principal of and/or interest on such Series of Authority Notes as provided in this section, except that, moneys, if any, on deposit in the related Payment Accounts in the Authority Note Payment Fund corresponding to such Series of Authority Notes 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 Participant's applicable Payment Account in the Authority Note 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 Participant's Predefault Obligations specified by such Supplemental Credit Enhancer or Credit Provider in writing to the Trustee. Any amounts on deposit in the applicable 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 District 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 Participant in the payment of any of the principal of and/or interest on a Series of District Notes of such Participant 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 Authority Notes (or the portions thereof) paid with the proceeds of such drawing or payment under such Supplemental Credit Enhancement or Credit Instrument. Any Series of District Notes described in the preceding sentence shall, on such Interest Payment Date or Principal Payment Date, be a Defaulted District 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 District Notes, as set forth in Section 4.03, are satisfied.

(g) The interest on the unpaid portion of a Defaulted District Note shall be payable at the Default Rate; provided that, no interest shall accrue on a Defaulted District Note or unpaid Series of District 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 District Notes or unpaid Series of District 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 Section 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 Authority Notes 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 Authority Notes.

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.

ARTICLE VII

COVENANTS

Section 7.01. Compliance with Indenture. The Trustee will not authenticate or deliver any Authority Notes 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 District Notes. The Authority and the Trustee will not amend or permit the amendment of any Series of the District Notes without the prior written consent of the corresponding Credit Provider, if any, or the corresponding Supplemental Credit Enhancer, 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 Authority Notes, or (2) the written consents of the Owners of a majority in aggregate principal amount of the

corresponding Series of Authority Notes then Outstanding, and (b) to the extent any Series of the District Notes will be allocated by the Authority to a Tax-Exempt Series of Authority Notes, an Opinion of Counsel to the effect that such amendment will not cause interest on the corresponding Series of Authority 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 Series of District Notes.

In addition to the foregoing, (a) if such Series of District Notes is the second or subsequent Series of District Notes of a Participant and all obligations pertaining to all prior Series of District Notes have not been discharged, the Authority and the Trustee will not amend or permit the amendment of such subsequent Series of District Notes without the prior written consent of the Credit Provider(s), if any, and the Supplemental Credit Enhancer(s), if any, relating to such prior Series of District Notes, and without (i) (A) a determination that such amendment does not materially adversely affect the interest of the Authority Note Owners of the related prior Series of Authority Notes, or (B) the written consents of the Authority Note Owners of the related prior Series of Authority Notes of a majority in aggregate principal amount of each such prior Series of Authority Notes then Outstanding, and (ii) to the extent any Series of the District Notes will be allocated by the Authority to a Tax-Exempt Series of Authority Notes, an opinion of Counsel to the effect that such amendment will not cause interest on each such prior Series of Authority Notes to be includable in gross income for federal income tax purposes, and (b) if such Series of District Notes is the first Series issued by a Participant, and one or more subsequent Series of District Notes has been issued, the Authority and the Trustee will not amend or permit the amendment of the first Series of District Notes without the prior written consent of each Credit Provider (if applicable) or each Supplemental Credit Enhancer (if applicable) relating to such subsequent Series of District Notes, and without (i) (A) a determination that such amendment does not materially adversely affect the interests of the Authority Note Owners of each such subsequent Series of Authority Notes, or (B) the written consents of the Authority Note Owners of a majority in aggregate principal amount of each such related subsequent Series of Authority Notes then Outstanding, and (ii) to the extent any Series of the District Notes will be allocated by the Authority to a Tax-Exempt Series of Authority Notes, an Opinion of Counsel to the effect that such amendment will not cause interest on each such related subsequent Series of Authority Notes 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 Authority Tax-Exempt Notes for federal income tax purposes. Without limiting the generality of the foregoing, the Authority covenants that it will comply with the requirements of each Tax Certificate prepared by Note Counsel and executed by the Authority with respect to each separate “issue” of Tax-Exempt Notes

(each, a “Tax Certificate”), each of which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of each Series of Authority Notes.

(b) In the event that at any time the Authority is of the opinion that for purposes of this Section 7.04 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. In addition, the Authority shall pay arbitrage rebate owed to the United States pursuant to Section 7.10 hereof and the applicable Tax Certificate.

(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 Authority Tax-Exempt Notes or any Series of Authority Tax-Exempt Notes, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section 7.04 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 Authority Tax-Exempt Notes.

Section 7.05. Liens. So long as any Authority Notes are Outstanding, or any Pre-default Obligation or Reimbursement Obligation is outstanding, the Authority will not create or suffer to be created any pledge of or lien on the District 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 District Notes repayments and the proceeds of the District Notes and the Authority Notes. 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 paramount, 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, the Authority and any Participant 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 Authority Notes, the Trustee will furnish to the Participants, each Credit Provider, each Supplemental Credit Enhancer, 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. Reserved.

Section 7.08. Further Assurances. Whenever and so often as requested to do so by the Trustee, any Credit Provider, any Supplemental Credit Enhancer, 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, 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, and/or Supplemental Credit Enhancement Agreement, upon receipt of instructions from the Authority or any Participant, resulting from the Authority's or such Participant's receipt of notice and request for payment of Predefault Obligations from the applicable Credit Provider or Supplemental Credit Enhancer, pursuant to applicable provisions of the applicable Credit Agreement and/or Supplemental Credit Enhancement 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 Participant which moneys are available under this Indenture for payment of such amounts due to the applicable Credit Provider or Supplemental Credit Enhancer. However, the amount remitted from such moneys which are allocable to a specific Participant shall not exceed that Participant's allocable share of the total amount due to the applicable Credit Provider or Supplemental Credit Enhancer. If such moneys held by the Trustee are insufficient to pay the Participant's allocable share of such Predefault Obligations, the Participant shall pay the amount of the deficiency to the Trustee for remittance to the applicable Credit Provider or Supplemental Credit Enhancer. Moneys thus received by the Trustee from the Participants shall be deposited in the Authority Note Payment Fund and the applicable Payment Account attributable to the corresponding Participant and Series of Authority Notes and shall be paid to the applicable Credit Provider or Supplemental Credit Enhancer by the fifteenth (15th) day after delivery by the applicable Credit Provider or Supplemental Credit Enhancer to the Participant or Participants of notice that amounts are due to the applicable Credit Provider or Supplemental Credit Enhancer pursuant to the provisions of the applicable Credit Agreement or Supplemental Credit Enhancement 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. The Authority, the Participants, each Credit Provider, each Supplemental Credit Enhancer, if any, the Owner of any Authority Notes 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 Participants 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 Authority Notes (the "Rebate Fund Subaccount") by the Trustee, 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 Authority Note 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 to the Trustee in accordance with the applicable Tax Certificate.

(c) The Trustee shall have no obligation to pay any amounts required to be paid as arbitrage rebate 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 Participants 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 (e) below.

(e) Upon receipt of the Authority's written directions, the Trustee shall pay the amount it is so directed to pay by the Authority to the United States. In addition, if on the first day of any Authority Note 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 Authority Notes and payment and satisfaction of all Rebate Amount, Predefault Obligations and Reimbursement Obligations pertaining to any Series of Authority Notes shall be withdrawn and remitted to the Authority [which shall, in turn, remit such amount to the Participants pro rata in accordance with the principal amount of the Participants' corresponding Series of District Notes or as otherwise instructed by Note Counsel.]

(f) Notwithstanding any other provision of this Indenture, including in particular Article XI hereof, the obligation to pay 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 Authority Notes.

(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 paid 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 Authority Notes from time to time. This covenant shall survive payment in full or defeasance of the Authority Notes. 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 Participants. 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 Counsel 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 Authority Notes for federal income tax purposes, 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 Participant 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 Authority Notes at the time Outstanding shall be entitled, upon notice in writing to such Participant, to exercise the remedies provided to the Owner of the Series of District Notes then in default or under the Participant 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 Participant or any trustee, member, officer or employee thereof, and to compel any such Participant 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 District Notes and Participant 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 Authority Notes, or the corresponding Credit Provider or Supplemental Credit Enhancer; or

(c) by suit in equity upon the happening of any default hereunder to require any Participant 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 Authority or the Participants, 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 Participant shall be effective without the prior written consent of the corresponding Credit Provider and Supplemental Credit Enhancer, 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 Participant's Resolution. Each such apportioned payment shall be deposited into the segregated Payment Accounts attributable to the corresponding Series of District Notes of the defaulting Participant in the Authority Note Payment Fund and shall be applied by the Trustee in the following order upon presentation of the several affected Series of Authority Notes, 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 Authority Notes 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 Authority Notes 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 Authority Notes 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 Authority Notes 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 Participant which the Credit Provider(s) and/or Supplemental Credit Enhancer(s) will apply in accordance with the corresponding Credit Agreement(s) and/or Supplemental Credit Enhancement Agreement(s);

provided, however, that all amounts in the 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 Authority Notes; 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 or 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 or 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 or Credit Instrument, as applicable, shall have the right to direct the remedies upon any Event of Default hereunder relating to the corresponding Series of District Notes or Authority Notes 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 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 and the Supplemental Credit Enhancer, 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 or the Supplemental Credit Enhancer of its right of action to institute suit directly against a Participant to enforce payment of the corresponding Series of District 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 or any Supplemental Credit Enhancer with respect to the payment when due of the District Notes by the Participants, or with respect to the observance or performance by the Participants of the other agreements, conditions, covenants and terms contained in the District Notes and the Participant Resolutions (including but not limited to any rebate liability on the District 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 Authority Notes, this 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 District Notes and available thereof in accordance with this Indenture. The Authority may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys, and the Authority shall not be responsible for any willful misconduct or negligence on the part of any agent (other than an employee) or attorney appointed with due care.

The Authority may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by them hereunder in good faith and reliance thereon. The Authority agrees to cause the Participants to pay the fees and expenses of such counsel in connection herewith.

The Authority shall not be charged with notice or knowledge of any default hereunder unless and until a responsible officer of the Trustee or the Authority charged with the administration of this Indenture shall have actual knowledge thereof.

Section 8.08. Limited Liability of the Participants. Except as expressly provided in the respective District Notes and Participant Resolutions, the Participants shall not have any obligation or liability to the Authority, the Trustee, the Owners, any Credit Provider or any Supplemental Credit Enhancer with respect to this Indenture or the preparation, execution, delivery, transfer, exchange or cancellation of the Authority Notes or the receipt, deposit or disbursement of the principal of and interest on the District 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 District Notes or document referred to herein, no Participant shall incur any obligation under Article VIII, Section 3.03(b), Section 5.01, or Section 6.01 or otherwise hereunder, except to the extent payable from unencumbered revenues attributable to its 2020-21 fiscal year, nor shall any Participant incur any obligation on account of any default, action or omission of any other Participant.

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 or any Supplemental Credit Enhancer with respect to the payment when due of the District Notes by the Participants, or with respect to the observance or performance by the Participants of the other agreements, conditions, covenants and terms contained in the District Notes and the Participant 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 District Notes as provided herein, to register, authenticate, deliver, transfer, exchange and cancel the Authority Notes as provided herein, to pay the interest on and principal of the Authority Notes

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 this 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 Participant, the Trustee shall only exercise such rights and powers with respect to such Participant.

The Trustee shall bear no responsibility for the recitals contained in this Indenture. The Trustee makes no representation regarding the security for the Authority Notes 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, if any, may at any time remove the Trustee by giving written notice of such removal by mail to the Trustee, all of the Participants, all Owners of Authority Notes, all Additional Supplemental Credit Enhancers and Additional Credit Providers, if any, and the Trustee may at any time resign by giving written notice by mail of resignation to all Credit Providers, the Authority, the Participants, all Supplemental Credit Enhancers and all Owners of Authority Notes. The Series A Credit Provider or the Series A Supplemental Credit Enhancer, may, at any time remove the Trustee if such Series A Credit Provider or Series A Supplemental Credit Enhancer, as applicable, is not in default on its payment obligations under the corresponding Series A Credit Instrument or Series A Supplemental Credit Enhancement, as applicable. The Series A Credit Provider or Series A Supplemental Credit Enhancer, as applicable, shall give written notice by mail of such removal to the Trustee, the Authority, all Supplemental Credit Enhancers, all of the Participants, any Additional Credit Provider, if any and as applicable, all of the Supplemental Credit Enhancers and all Owners of Authority Notes. If such removal is at the request of the Series A Credit Provider or Series A Supplemental Credit Enhancer, 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, shall reimburse the Authority and the Participants 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, 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 one hundred million dollars (\$100,000,000) 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 Authority Notes are paid in full and all Predefault and Reimbursement Obligations due and owing with respect to such Series A Authority Notes have been satisfied, the provisions of the preceding paragraph will apply with the phrase “applicable Additional Credit Provider” 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, and Supplemental Credit Enhancement, 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 Participants 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 Participants to recover such compensation or reimbursement.

Each Participant has agreed in its Participant Resolution to be liable for and pay its *pro rata* portion of the fees and expenses of the Trustee provided for in this section relating to its District Notes and the corresponding Series of Authority Notes. Each Participant has further agreed in its Participant Resolution to jointly and severally indemnify the Trustee and its officers, directors, agents and employees for losses, costs, expenses (including legal fees and expenses) suits, damages, judgments and liabilities incurred by the Trustee hereunder not resulting from Trustee’s own negligence or willful misconduct.

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 Participants, 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 District Notes, or of the assignment made to it of all rights to receive the payments on the District 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 Participants, or any other party, of any funds which the Trustee properly releases to the Participants or which the Participants 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 Indenture, any Authority Note, any District Note, any Participant Resolution, any Credit Instrument, any Supplemental Credit Enhancement, any Credit Agreement, any Supplemental Credit Enhancement 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 Indenture).

Whenever in the observance or performance of its rights and obligations hereunder or under the Authority Notes 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 Authority Notes 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 Participants, and may act as agent, depository or trustee for any committee or body of Owners or of owners of obligations of the Participants 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, 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 Authority Notes.

Anything in this Indenture to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term “*force majeure*” means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Agreement and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority, whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

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 Authority Notes), in writing, upon occurrence of any of the following events: (i) any amendment, supplement or other change to this Indenture from the form originally executed and entered into; (ii) any amendment, supplement or other change to any Credit Agreement or Supplemental Credit Enhancement Agreement from the form originally executed and entered into; (iii) any amendment, supplement or other change to any Credit Instrument or Supplemental Credit Enhancement from the form originally executed and entered into; (iv) any amendment, supplement or other change to any Participant Resolution (that the Trustee is aware of); (v) the termination of any Credit Instrument or Supplemental Credit Enhancement or any Investment Agreement; (vi) the occurrence or curing of any Event of Default; (vii) defeasance of the Authority Notes or any Series or portion thereof; and (viii) the tax-exempt status of the Authority Notes 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. This 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, and of the Owners of a majority in aggregate principal amount of the Authority Notes then Outstanding, exclusive of Authority Notes 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 Authority Note or extend any Interest Payment Date applicable to any Series of Authority Notes or reduce the amount of principal of any Authority Note or extend the Principal Payment Date applicable to any Series of Authority Notes (it being understood, however, that any such extension shall have no effect on duration of the applicable Credit Instrument or the applicable Supplemental Credit Enhancement, as the case may be) or modify the payment priority for any Authority Note without the prior written consent of the Owner of the Authority Notes 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.

This 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 and each Supplemental Credit Enhancer, 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 Authority 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 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 Authority Notes 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 Note 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.

This 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, or any Series A Authority Note Owners, for the purpose of issuing and securing one or more Series of Additional Authority Notes.

Section 10.02. Disqualified Authority Notes. Authority Notes held for the account of the Authority or the Participants (but excluding Authority Notes held in any pension or retirement fund of the Participants) shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Authority Notes 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 Authority Notes 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 and/or Each Credit Provider. This 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 and each Supplemental Credit Enhancer 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 Authority Note and each Credit Provider and each Supplemental Credit Enhancer at their addresses as set forth in the 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 Authority Notes then Outstanding (exclusive of Authority Notes disqualified as provided in

Section 10.02 hereof) and each Credit Provider and each Supplemental Credit Enhancer, 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 Authority Notes 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 Authority Note 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 Authority Notes and acknowledged the same to the Participants.

After the Owners of the required percentage of Authority Notes and each Credit Provider, each Supplemental Credit Enhancer shall have filed their consents to such supplemental agreement, the Trustee shall acknowledge to the Authority, each Credit Provider and each Supplemental Credit Enhancer the effectiveness of the agreement and shall mail a notice to the Participants, each Credit Provider, each Supplemental Credit Enhancer and the Owners of the Authority Notes 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 Authority Notes 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 Authority Notes after Amendment or Supplement. After the effective date of any action taken as hereinabove provided, the Trustee or the Authority may determine that the Authority Notes 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 Authority Note and presentation of the Authority Note for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Authority Note. If the Trustee or the Authority shall so determine, new Authority Notes 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 Authority Notes, such new Authority Notes shall be exchanged without cost to each Owner for Authority Notes then Outstanding at the office of the Trustee upon surrender of such Outstanding Authority Notes. All Authority Notes 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 Authority Notes owned by him; provided, that due notation thereof is made on such Authority Notes. No amendment or supplement of a Authority Note 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 Authority Notes 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 Authority Notes 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 District Notes and District Notes 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 Authority Notes 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 Authority Notes payable on and prior to their applicable Principal Payment Date.

(c) Any Outstanding Series of Authority Notes 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, as the case may be, to pay when due the interest on such Series of Authority Notes and the principal of such Authority Notes on the applicable Principal Payment Date.

(d) After the payment of the interest on and principal of all Outstanding Authority Notes as provided in this section, at the Request of the Authority (if provided), the Trustee shall execute and deliver to the Authority and the Participants all such instruments as they may deem necessary or desirable to evidence the discharge and satisfaction of this Indenture, and the Trustee shall pay over or deliver to the Participants 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 Authority Notes and the Trustee shall surrender all Credit Instruments and all Supplemental Credit Enhancements, to the applicable Credit Providers and Supplemental Credit Enhancers, respectively, for cancellation by the same.

(e) Notwithstanding anything to the contrary herein, this Indenture shall not be discharged without the prior written consent of the applicable Credit Providers and Supplemental Credit Enhancers 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 Authority Notes which remains unclaimed for two (2) years after the date when the payments on such Authority Notes 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 Authority Notes have become payable, shall be repaid by the Trustee to the Participants 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 Participants for the payment of the interest on and principal of such Authority Notes it being understood that all Credit Instruments and all Supplemental Credit Enhancements, as applicable, shall no longer be in effect at that time; provided, that before being required to make any such payment to the Participants, the Trustee shall, as a charge on such funds, give notice by mail to all Owners of Authority Notes 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 Participants.

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 Participants, the Trustee, the Authority, the Owners, each Credit Provider, and each Supplemental Credit Enhancer, 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 Participants, each Credit Provider, each Supplemental Credit Enhancer, 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 Authority Note shall bind all future Owners of such Authority Note with respect to anything done or suffered to be done by the Authority, Participants 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 Participants or the Authority shall be individually or personally liable for the payment of the interest on or principal of the Authority Notes, but nothing contained herein shall relieve any trustee, member, officer or employee of the Participants or the Authority from the performance of any official duty provided by any applicable provisions of law or by the District Notes or the Participant Resolution or this 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 Participant hereunder.

Section 12.05. Content of Certificates; Post-Issuance Legal Opinions. Every certificate of the Authority or the Participants 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 Participants 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 Participants or the Authority, upon a representation by an officer or officers of the Participants 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 Authority Notes shall be given by mailing a copy of such notice, first class postage prepaid, to the Owners of such Authority Notes 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 and all Supplemental Credit Enhancers 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 Authority Notes and the rights of the Owners and all Credit Providers and all Supplemental Credit Enhancers. 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 together with the State Treasurer 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 Authority Notes or, if issued, the Owner of at least 25% aggregate principal amount of each Series of Outstanding Additional Authority Notes,) or any Series A Authority Note Owner, or, if Additional Authority Notes are issued, any Owner or any Beneficial Owner of an Additional Authority Note, 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 Authority Notes or, if issued, Additional Authority Notes (including persons holding Series A Authority Notes or, if issued, Additional Authority Notes 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 this 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 Authority Notes, and the Owners and all Credit Providers and all Supplemental Credit Enhancers 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 this 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 Authority Notes 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. This Indenture and the Authority Notes shall be construed in accordance with and governed by the laws of the State of California applicable to contracts made and performed in the State of California. This Indenture shall be enforceable in the State of California, and any action arising hereunder shall (unless waived by the Authority in writing) be filed and maintained in the Superior Court of California, County of Sacramento, 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
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust

If to the Authority: California School Finance Authority
300 S. Spring Street, Suite 8500
Los Angeles, California 90013
Attention: Katrina M. Johantgen, Executive Director

If to the Participants: To the individual addresses as set forth in Exhibit A to the Purchase Agreement.

If to the Underwriters: RBC Capital Markets, LLC
777 South Figueroa Street, Suite 850
Los Angeles, California 90017
Attention: Managing Director

Citigroup Global Markets Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, California 90071
Attention: Managing Director

If to the Rating Agencies: [Fitch Ratings Inc.]
33 Whitehall Street
New York, NY 10004
Telephone: (212) _____
Telefax: (212) _____

[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

[Moody's Investors Service]
99 Church Street
New York, NY 10007
Telephone: (212) 553-3747
Telefax: (212) 964-6038

Section 12.13. Effective Date. This 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.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Authority has caused this Indenture to be signed in its name by its Executive Director, 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 FINANCE
AUTHORITY

By _____
Title: [Executive Director][Deputy Treasurer for
California State Treasurer, Fiona Ma]

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Title: Authorized Officer

SCHEDULE II

INITIAL DEPOSITS TO PARTICIPANTS'
SERIES A DISTRICT NOTES
PROCEEDS ACCOUNTS

Participant	Series A Authority Note Proceeds Amount	Repayment Periods	Pledge Dates	Percentage

SCHEDULE III

INITIAL DEPOSITS TO PARTICIPANTS'
SERIES A DISTRICT NOTES
ESCROW ACCOUNTS

Participant	Series A Escrow Amount
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EXHIBIT A

[FORM OF AUTHORITY NOTE]

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA**

No. R ___ **\$** _____

**CALIFORNIA SCHOOL FINANCE AUTHORITY
STATE AID INTERCEPT NOTE
(FISCAL YEAR 2020-21 SCHOOL AND COMMUNITY COLLEGE
DISTRICT DEFERRALS) SERIES** ___

<u>Interest Rate</u>	<u>Principal Payment Date</u>	<u>Date of Initial Delivery</u>	<u>CUSIP</u>
___ %	_____, 2021	_____, 2021	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____

THE CALIFORNIA SCHOOL FINANCE AUTHORITY (the “Authority”) promises to pay the registered Owner set forth above of this California School Finance Authority State Aid Intercept Note (Fiscal Year 2020-21 School and Community College District Deferrals), Series ___ (the “Note”), on the Principal Payment Date (the “Principal Payment Date”) set forth above, upon surrender of this Note on such Principal Payment Date at the principal corporate trust office of U.S. Bank National Association, as trustee, in San Francisco, 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 Note and becoming due and payable [on _____, 2021 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 Note is one of the duly authorized notes entitled “California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series ___” aggregating \$ _____ (the “Series ___ Authority Notes”) which have been issued by the Authority under and by authority of Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California and pursuant to the terms of an Indenture, dated as of [February] 1, 2021 (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 Series ___ Authority Notes, 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 Series ___ Authority Notes 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 Series __ Authority Notes are issued thereunder, to all of which the Owner hereof assents and agrees by acceptance hereof.

The Series ___ Authority Notes are authorized to be issued in the form of fully registered notes in denominations of five thousand dollars (\$5,000) or any integral multiple thereof.

This Note 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 Note for cancellation accompanied by delivery of a duly executed written instrument of transfer or exchange, a new Series __ Authority Note or Series ___ Authority Notes 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 Note 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 Note 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 Note to the extent of the sum or sums so paid.

The Series __ Authority Notes 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 "Series __ District Notes") issued by certain California school districts, community college districts and county offices of education (as more particularly described in the Indenture) (the "Participants"), under and by authority of Section 53853 and of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the Government Code of the State of California and pursuant to the terms of a resolution duly passed and adopted by the governing board of each Participant pertaining to its Series ___ District Notes (collectively, the "Participant Resolutions"), 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.

The Series __ Authority Notes are not subject to prepayment or redemption prior to the Series __ Principal Payment Date.

Upon satisfaction of certain provisions of the Indenture, the Authority may issue one or more additional series of California School Finance Authority State Aid Intercept Aid Notes (Fiscal Year 2020-21 School and Community College District Deferrals) (together with the Series ___ Authority Notes, the "Authority Notes"), 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 offices of education (as more particularly described in the Indenture and any supplement thereto), some of which may also have issued Series ___ District Notes securing the Series ___ Authority Notes, which Series ___ District Notes may be payable on a parity with such tax and revenue anticipation notes.

[The following language is applicable only to Additional Authority Notes: Under the Indenture, the Authority has previously issued on _____, 20____, its outstanding California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series A, aggregating \$ _____ (the “Series A Authority Notes”), 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 offices of education (as more particularly described in the Indenture and any supplement thereto), some of which may also have issued District Notes securing the Authority Notes, which District 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 Authority Notes issued thereunder, including particularly the nature and extent of the security and provisions for payment of the Authority Notes and the relative priority of a certain portion of the Authority Notes and of the District 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 Authority Notes only: The payment of [up to the first \$ _____ of] principal of and interest on the Authority Notes [attributable to the first \$ _____ of payment defaults by the Participants with respect to their District 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 Participants and of the holders and registered Owners of the Authority Notes 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 Authority Notes.

The Authority Notes 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 Debt Service Payments of the District Notes by the Participants and from the funds and accounts established for such purpose by the Indenture. The Authority Notes are not a debt of any Participant or any member of the Authority, and no such Participant or member is liable in any manner for the payment thereof.

Each District Note constitutes the general obligation of the Participant issuing the same and shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the respective Participant during, or are attributable to, Fiscal Year 2020-21, and which are lawfully available therefor, all as set forth in the respective Participant Resolution. As security for the District Notes, each Participant has individually pledged certain of its unrestricted revenues received in the amounts and as of the dates provided in the respective Participant Resolution, plus in the month during which the final payment of Pledged Revenues is to occur, an amount sufficient to pay interest on such District Note.

Each Participant has certified that all acts, conditions and things required by the Constitution and laws of the State of California and the provisions of its Participant Resolution to exist, to have happened and to have been performed precedent to and in the issuance of its Series ___ District Notes do exist, have happened and have been performed in due time, form and manner as required by law and that its Series ___ District Note, together with all other indebtedness and obligations of such Participant, does not exceed any limit prescribed by the Constitution or laws of the State of California.

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 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 this Note is not in excess of the amount of Authority Notes permitted to be issued under the Indenture.

This Note 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 Note 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 Authority Note 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 Note has been dated the date of initial delivery hereof, and has been executed by the manual or facsimile signature of the Chair of the Authority:

CALIFORNIA SCHOOL FINANCE
AUTHORITY

By _____
Chair

[FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

Authenticated 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 ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____ whose tax identification number is _____ the within Authority Note and do(es) hereby irrevocably constitute(s) and appoint(s) attorney to transfer such Authority Note 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 Authority Note 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 COSTS OF ISSUANCE FUND

U.S. Bank National Association
One California Street, Suite 1000
San Francisco, California 94111
Attn: [Mary Wong]

Re: California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-
21 School and Community College District Deferrals), Series [__]

Requisition No.: _____

The undersigned authorized officer of the [California School Finance Authority] / [Municipal Advisor] hereby presents this Requisition for payment of Costs of Issuance, as that term is defined that certain Indenture dated as of [March 1, 2021] (the “Indenture”), by and between U.S. Bank National Association, as Trustee, and the California School Finance Authority (the “Authority”), in connection with the captioned financing (the “Series ___ Authority Notes”).

Attached as Schedule I is a list of payees from whom invoices for Costs of Issuance have been received (copies of which are attached to said Schedule I). You are hereby directed to make payment by check or wire transfer (in accordance with the request of the respective payees) to said persons in the amounts invoiced but not in excess of the amounts identified in Schedule I. None of the items listed in Schedule I have been heretofore paid and each represents a proper charge against the Series __ Costs of Issuance Account of the Costs of Issuance Fund.

Date: _____, 2021

By: _____
Authorized Officer
[California School Finance Authority] /
[Municipal Advisor]

SCHEDULE I

PAYEES FROM SERIES ___ COSTS OF ISSUANCE ACCOUNT

The following costs are to be paid on behalf of the Authority and the Participants for the Costs of Issuance relating to the Series ___ Authority Notes and the Series ___ District Notes from amounts deposited in the Series ___ Costs of Issuance Account of the Costs of Issuance Fund for the Series ___ Authority Notes.

[See Attached]

EXHIBIT C

FORM OF REQUISITION FROM PROCEEDS ACCOUNT

To: U.S. Bank National Association, as Trustee

From: [Participant]

Re: California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series _ (the "Program")

Requisition No. ____

The undersigned, on behalf of the _____ District (the "Participant"), hereby requests payment, from the Proceeds Account of the Participant established with respect to the Participant's 2020-21 Tax and Revenue Anticipation Notes, Series [____], pursuant to the Program, the amount of \$ _____ [by wire/check (circle one)] for purposes for which the Participant is authorized to use and expend moneys loaned to it by the Authority under the CSFA Act. If the payment is by wire, please fill in the following information:

Name of Bank: _____

ABA#: _____

Account No. _____

Reference: _____

The undersigned hereby certifies as follows:

1. The amount requisitioned hereby from the Proceeds Account(s) of the Participant 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 Participant and attributable to Fiscal Year 2020-21 and which are generally available for the payment of current expenses and other obligations of the Participant (collectively, "unrestricted revenues") less (b) projected uncollectible unrestricted revenues of the Participant attributable to such Fiscal Year.

2. The amount requisitioned hereby is for a purpose for which the Participant is authorized to use and expend funds loaned to it by the Authority under the CSFA Act.

3. The amount requisitioned hereby (if invested under the Investment Agreement) is not being requisitioned for reinvestment in other investments.

4. Other funds of the Participant are not readily available for expenditure for such purpose with respect to any operating draws.

5. The information contained herein is true and correct as of the date of this Requisition.

6. The representations of the Participant set forth in Section 15 of the Resolution of the Participant, providing for the borrowing of funds for Fiscal Year 2020-21 and the issuance and sale of one or more Series of 2020-21 Tax and Revenue Anticipation Notes therefor and authorizing participation in the Program (the "Participant 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.

7. As of the date hereof, no event has occurred and is continuing which constitutes an Event of Default under the Participant Resolution or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

8. [As of the date hereof, the Participant 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 2019-20 or Fiscal Year 2020-21, or (b) a certification applicable to Fiscal Year 2019-20 or Fiscal Year 2020-21 that is lower than the certification held by the Participant on the date the above-captioned Series of Authority Notes were issued, except that, if such Participant provides a certification from the County Superintendent or State Superintendent of Public Instruction, as applicable, that repayment of such Participant's Note and any Additional Notes is probable is given, moneys may be disbursed if the downgrade is to a qualified certification.]

Dated: _____, 2021.

By: _____
Authorized Officer of the District Participant