
FIRST SUPPLEMENTAL PAYING AGENT AGREEMENT

between

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

and

PASO ROBLES JOINT UNIFIED SCHOOL DISTRICT

Dated as of _____, 2018

relating to the

\$3,000,000

**2017 GENERAL OBLIGATION BOND ANTICIPATION NOTES
OF SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
OF THE PASO ROBLES JOINT UNIFIED SCHOOL DISTRICT
SAN LUIS OBISPO COUNTY, CALIFORNIA**

(Supplemental to the Paying Agent Agreement dated August 1, 2017)

FIRST SUPPLEMENTAL PAYING AGENT AGREEMENT

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FIRST SUPPLEMENTAL PAYING AGENT AGREEMENT

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**2017 GENERAL OBLIGATION BOND ANTICIPATION NOTES
OF SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
OF THE PASO ROBLES JOINT UNIFIED SCHOOL DISTRICT
SAN LUIS OBISPO COUNTY, CALIFORNIA**

This First Supplemental Paying Agent Agreement, dated as of _____, 2018 (the “First Supplemental Paying Agent Agreement”), is by and among the Paso Robles Joint Unified School District, a school district duly established and existing under the laws of the State of California (the “District”) and U.S. Bank National Association, a banking corporation duly organized and existing pursuant to the laws of the State of California (the “Paying Agent”).

WITNESSETH:

WHEREAS, the District previously established School Facilities Improvement District No. 1 of the Paso Robles Joint Unified School District (“SFID No. 1”);

WHEREAS, a bond election was duly and regularly held in SFID No. 1 on November 8, 2016, under the procedures specified in Proposition 39 (Article XIII A Section 1 paragraph (b) of the California Constitution), for the purpose of submitting to the qualified electors of SFID No. 1 the question of whether bonds should be issued in the maximum aggregate principal amount of \$95 million (the “General Obligation Bonds”) for the purpose of raising money to repair, renovate and equip schools, facilities and classrooms throughout SFID No. 1 (the “Project”);

WHEREAS, more than 55% of the votes cast at said election were in favor of the issuance of the General Obligation Bonds;

WHEREAS, pursuant to Education Code Section 15150 (“Authorizing Law”), the District is authorized to issue notes, maturing within a period not to exceed five years in anticipation of the sale of the General Obligation Bonds, provided that the proceeds received from the sale of the notes are used for authorized purposes of the General Obligation Bonds;

WHEREAS, the District issued its 2017 General Obligation Bond Anticipation Notes of School Facilities Improvement District No. 1 of the Paso Robles Joint Unified School District, San Luis Obispo County, California, in an aggregate principal amount of \$3 million (the “Notes”), under the Authorizing Law, and sold said Notes to ZB, N.A. on August 24, 2017;

WHEREAS, the District and the Paying Agent entered into a paying agent agreement, dated August 1, 2017 (the “Paying Agent Agreement”), in order to provide for the authentication and delivery of the Notes, to establish and declare the terms and conditions upon which the Notes shall be issued and secured, and to secure the payment of the principal thereof and interest thereon;

WHEREAS, the Paying Agent Agreement provides that the Notes are not subject to redemption by the District prior to November 1, 2018, their maturity date; and

WHEREAS, the District 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 the entering into of this First Supplemental Paying Agent Agreement 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 First Supplemental Paying Agent Agreement.

NOW, THEREFORE, the parties hereto agree, as follows:

SECTION 1. Definitions. Capitalized terms used herein and not defined herein shall have the definitions ascribed to such terms by the Paying Agent Agreement.

SECTION 2. Supplemental Provisions. Section 2.2 (A) and Article 4 of the Paying Agent Agreement are hereby amended to be and read as follows:

ARTICLE 2
THE NOTES

SECTION 2.2. Terms and Form of Notes. (A) Form of Notes. The form of the Notes shall be as set forth in Exhibit A, attached hereto, with such insertions, omissions, substitutions, and variations as may be determined by the officers executing the same, as evidenced by their execution thereof, to reflect the applicable terms of the Notes established by this Article.

ARTICLE 4
REDEMPTION OF NOTES

SECTION 4.1. Redemption of the Notes. (A) Optional Redemption. Notes maturing November 1, 2018, are subject to redemption prior to maturity, at the option of the District, in whole or in part, from General Obligation Bonds proceeds, on April 1, 2018, and on any date thereafter, at a redemption price equal to the principal amount of the Notes to be redeemed together with accrued interest thereon to the date fixed for redemption, without premium.

(B) General Applicability of Article. The Notes shall be redeemed in accordance with this Article 4 of the Paying Agent Agreement.

SECTION 4.2. Notice to Paying Agent. The District shall, at least sixty (60) days prior to the date fixed for redemption (unless a shorter notice shall be satisfactory to the Paying Agent), notify the Paying Agent in writing of such redemption.

SECTION 4.3. Notice of Redemption. The Paying Agent shall mail notice of redemption not fewer than thirty (30) nor more than sixty (60) days prior to the

redemption date by first-class mail, postage prepaid, to Owner of the Notes designated for redemption, at the address appearing on the Bond Register.

SECTION 4.4. Right to Rescind Notice; Conditional Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owner of the Notes called for redemption. The District may make any redemption conditional upon the availability of money for payment of the redemption price on the redemption date designated in the notice. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption monies are not available in the Note Repayment Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal and interest due on the Notes called for redemption. Notice of rescission of redemption shall be given by first-class mail, postage prepaid, to the Owner of the Note, at their addresses appearing on the Note Register. The actual receipt by the Owner of the Notes of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission

SECTION 4.5. Deposit of Redemption Price. Prior to any redemption date, the District shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Notes that are to be redeemed on that date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price.

SECTION 4.6. Notes Payable on Redemption Date. Notice of redemption having been duly given as aforesaid and monies for payment of the redemption price of the Notes so to be redeemed being held by the Paying Agent, on the redemption date designated in such notice (a) the Notes so to be redeemed shall become due and payable at the redemption price specified in such notice; (b) interest on such Notes shall cease to accrue or accrete; (c) such Notes shall cease to be entitled to any benefit or security under the Paying Agent Agreement; and (d) the Owner of such Notes shall have no rights in respect thereof, except to receive payment of said redemption price. Upon surrender of any such Note for redemption in accordance with said notice, such Note shall be paid by Paying Agent at the redemption price.

SECTION 3. Indemnification. The District shall defend, indemnify and hold harmless the County, its officials, officers, agents and employees (“Indemnified Parties”) against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject based in whole or in part upon any acts or omission related to the Notes, with the exception of any acts or omissions arising from the negligent or intentional wrongdoing of the Indemnified Parties. The District also shall defend, indemnify and hold harmless the Indemnified Parties against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject based in whole or in part upon this Supplemental Paying Agent Agreement or the amendments to the Paying Agent Agreement made herein. The District

shall also reimburse the Indemnified Parties for reasonable legal or other costs and expenses incurred in connection with investigating or defending any such claims or liabilities.

SECTION 4. Provisions of the Paying Agent Agreement. Except as expressly provided in this First Supplemental Paying Agent Agreement, every term and condition contained in the Paying Agent Agreement shall apply to this First Supplemental Paying Agent Agreement and to the Notes with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this First Supplemental Paying Agent Agreement.

This First Supplemental Paying Agent Agreement and all the terms and provisions herein contained shall form part of the Paying Agent Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Paying Agent Agreement. The Paying Agent Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

In the event of a conflict or inconsistency between the Paying Agent Agreement and this First Supplemental Paying Agent Agreement, this First Supplemental Paying Agent Agreement shall control and govern the rights and obligations of the parties.

SECTION 5. Severability of Invalid Provisions. If any one or more of the provisions contained in this First Supplemental Paying Agent Agreement or in the Notes shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this First Supplemental Paying Agent Agreement and such invalidity, illegality, or unenforceability shall not affect any other provision of this First Supplemental Paying Agent Agreement, and this First Supplemental Paying Agent Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have adopted this First Supplemental Paying Agent Agreement and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issuance of the Notes pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this First Supplemental Paying Agent Agreement may be held illegal, invalid, or unenforceable.

SECTION 6. Effect of Headings and Table of Contents. The headings or titles of the several Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this First Supplemental Paying Agent Agreement.

SECTION 7. Execution in Counterparts. This First Supplemental Paying Agent Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this First Supplemental Paying Agent Agreement by their officers thereunto duly authorized as of the day and year first written above.

PASO ROBLES JOINT UNIFIED SCHOOL DISTRICT

Joan Summers
President of the Board of Trustees

ATTEST:

Chris Williams
Secretary of the Board of Trustees

U. S. BANK NATIONAL ASSOCIATION,
as Paying Agent

Authorized Officer

EXHIBIT A

[FORM OF NOTES]

REGISTERED
No. R-1

REGISTERED
\$3,000,000

**2017 GENERAL OBLIGATION BOND ANTICIPATION NOTES
OF SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
OF THE PASO ROBLES JOINT UNIFIED SCHOOL DISTRICT
SAN LUIS OBISPO COUNTY, CALIFORNIA**

<u>MATURITY DATE</u>	<u>INTEREST RATE PER ANNUM</u>	<u>DATED DATE</u>
November 1, 2018	1.49%	August 24, 2017

REGISTERED OWNER: ZB, N.A.

PRINCIPAL SUM: THREE MILLION DOLLARS

The Paso Robles Joint Unified School District, a school district duly established and validly existing as a political subdivision of the State of California under the Constitution and laws of the State of California (the "District"), for value received, hereby promises to pay (but only out of the General Obligation Bond proceeds and other moneys and securities hereinafter referred to) to the registered owner named above or registered assigns, on the Maturity Date specified above, the principal sum specified above together with interest thereon from the date hereof until the principal hereof shall have been paid, at the interest rate per annum specified above. The principal and interest hereon is payable in lawful money of the United States of America to the Registered Owner upon surrender thereof at the Paying Agent Office of U.S. Bank National Association, as Paying Agent (together with any successor as Paying Agent under the hereinafter mentioned Paying Agent Agreement, the "Paying Agent"), in Los Angeles, California.

This Note is one of a duly authorized issue of notes titled "2017 General Obligation Bond Anticipation Notes of School Facilities Improvement District No. 1 of the Paso Robles Joint Unified School District, San Luis Obispo County, California (the "Notes"), limited in aggregate principal amount to \$3,000,000, issued pursuant to the provisions of California Education Code Section 15150 (the "Law"), and pursuant to a Paying Agent Agreement dated as of August 1, 2017, between the Paying Agent and the District, as amended and supplemented by the First Supplemental Paying Agent Agreement, dated as of _____, 2018, between Paying Agent and the District (together, the "Paying Agent Agreement").

Reference is hereby made to the Paying Agent Agreement and to the Law for a description of the terms on which the Notes are issued and to be issued, the provisions with regard to the nature and extent of the security for the Notes, and the rights of the registered owners of the Notes. All the terms of the Paying Agent Agreement and the Law are hereby incorporated herein and constitute a contract between the District and the registered owner from time to time of this Note. The registered owner of this Note, by its acceptance hereof, consents and agrees to all the provisions of the Paying Agent Agreement.

The Notes are special obligations of the District and, as and to the extent set forth in the Paying Agent Agreement, are payable solely from and secured by a first lien and pledge of the General Obligation

Bond proceeds and certain other moneys and securities held by the District as provided in the Paying Agent Agreement. All of the Notes are equally secured by a pledge of, and charge and lien upon, all of the General Obligation Bond proceeds and such other moneys and securities, and the General Obligation Bond proceeds and such other moneys and securities constitute a trust fund for the security and payment of the principal of and interest on the Notes. The full faith and credit of the District is not pledged for the payment of the principal of or interest on the Notes. The Notes are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the District or any of its income or receipts, except the General Obligation Bond proceeds and such other moneys and securities as provided in the Paying Agent Agreement. The District may issue other obligations on a parity with the General Obligation Bond proceeds subject to the terms and conditions of the Resolution.

The Notes maturing on or after November 1, 2018, are subject to redemption prior to maturity, at the option of the District, in whole or in part, from any available source of funds, on any date on or after April 1, 2018, at a redemption price equal to the principal amount of the Notes to be redeemed together with accrued interest thereon to the date fixed for redemption, without premium.

This Note is transferable or exchangeable for other authorized denominations by the registered owner hereof, in person or by its attorney duly authorized in writing, at the corporate trust office of the Paying Agent in Los Angeles, California, but only in the manner, subject to the limitations and upon payment of the charges provided in the Paying Agent Agreement, and upon surrender and cancellation of this Note. Upon such transfer a new fully registered Note or Notes without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

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

The rights and obligations of the District and of the registered owners of the Notes may be modified amended at any time in the manner, to the extent, and upon terms provided in the Paying Agent Agreement, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of Notes.

The District hereby certifies and recites 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 indebtedness evidenced by this Note, and in 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, together with all other indebtedness of the District, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of Notes permitted to be issued under the Paying Agent Agreement or the Law.

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

IN WITNESS WHEREOF, the Paso Robles Joint Unified School District has caused this Note to be executed in its name and on its behalf by its President and countersigned by its Secretary, all as of the date stated above.

PASO ROBLES JOINT UNIFIED SCHOOL DISTRICT

By: _____
Joan Summers
President of the Governing Board

ATTEST:

Chris Williams
Secretary of the Board of Trustees

FORM OF CERTIFICATE OF AUTHENTICATION

This is one of the Notes described in the within-mentioned Paying Agent Agreement, which has been authenticated on the date set forth below.

Dated: _____ 2018

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within Note and do(es) hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the note register of the Paying Agent, with full power of substitution in the premises.

Dated: _____

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

Signature(s) Guaranteed by:

Note: Signature must be guaranteed by an eligible guarantor institution (banks, securities brokers, savings associations, credit unions, or other institutions with membership in an approved signature guarantee medallion program) pursuant to Securities and Exchange Commission Rule 17A(d)15.

Social Security Number, Tax Identification Number, or other identifying number of Assignee: _____

FORM OF CERTIFICATE

I hereby certify that the following is a true and correct copy of the legal opinion relating to the Notes described therein that was manually signed by Dannis Woliver Kelley, and was dated the date of delivery and payment of the Notes.

Chris Williams
Superintendent of the Paso Robles Joint Unified School District

DANNIS WOLIVER KELLEY
555 Capitol Mall, Suite 645
Sacramento, California 95814

_____, 2018

Board of Trustees
Paso Robles Joint Unified School District
800 Niblick Road
Paso Robles, CA 93446

Re: \$3,000,000
 *2017 General Obligation Bond Anticipation Notes
 of School Facilities Improvement District No. 1
 of the Paso Robles Joint Unified School District
 San Luis Obispo County, California*
 Final Approving Opinion of Bond Counsel

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Paso Robles Joint Unified School District (the "District") of \$3,000,000 aggregate principal amount of the 2017 General Obligation Bond Anticipation Notes of School Facilities Improvement District No. 1 of the Paso Robles Joint Unified School District, San Luis Obispo County, California (the "Notes"), under and pursuant to the provisions of Section 15150 of the Education Code of the State of California, Resolution No. 18-01 adopted by the Governing Board on July 11, 2017 (the "Resolution"), and the provisions of the Paying Agent Agreement, dated as of August 1, 2017, by and between U.S. Bank National Association, as Paying Agent, and the District, as amended and supplemented by the First Supplemental Paying Agent Agreement, dated as of _____, 2018, between Paying Agent and the District (together, the "Paying Agent Agreement"). In such capacity, we have examined such law and such certified proceedings, certificates, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the representations of the District contained in the Paying Agent Agreement and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Attention is called to the fact that we have not been requested to examine, and have not examined, any documents or information relating to the District other than the record of proceedings hereinabove

referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been, or may be supplied to any purchaser of the Notes.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Notes constitute valid and binding obligations of the District payable in accordance with the terms described therein.
2. The Paying Agent Agreement constitutes a valid and binding obligation of the District and creates a valid lien on the funds pledged by the Paying Agent Agreement for the security of the Notes.
3. The interest on the Notes is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax, although we observe that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income for taxable years that began prior to January 1, 2018. The Notes are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Tax Code”), and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Tax Code), a deduction is allowed for 80 percent of that portion of such financial institutions’ interest expense allocable to the portion of the Notes as designated as and comprising interest.

The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes, and in order for the Notes to be “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Tax Code. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes or may cause the Notes not to be “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Tax Code.

4. The interest on the Notes is exempt from present State of California personal income taxes.

The rights of the holders of the Notes and the enforceability of the Notes and the Paying Agent Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding tax consequences arising with respect to the ownership, sale or disposition of the Notes, or the amount, accrual or receipt of interest on the Notes other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts for circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

DANNIS WOLIVER KELLEY