

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