

PAYING AGENT AGREEMENT

**Relating to the Issuance of
\$ _____
Benicia Unified School District
2022 General Obligation Refunding Bonds
(Federally Taxable)**

This PAYING AGENT AGREEMENT (this "Agreement"), dated as of May 1, 2022, is between the BENICIA UNIFIED SCHOOL DISTRICT, a school district organized and existing under the laws of the State of California (the "District") and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as paying agent (the "Paying Agent").

B A C K G R O U N D :

1. At an election was duly and regularly held in the Benicia Unified School District (the "District") on June 3, 2014, in accordance with Section 15100 *et seq.* of the Education Code of the State of California, for the purpose of submitting a general obligation bond measure in the aggregate principal amount of \$49,600,000 to District voters, and more than the requisite 55% of votes cast were in favor of the issuance of said bonds (the "2014 Authorization").

2. On November 20, 2014, pursuant to the 2014 Authorization, the District caused the issuance of its \$20,000,000 aggregate principal amount of Benicia Unified School District General Obligation Bonds Election of 2014, Series A (the "Prior Bonds").

3. The Prior Bonds maturing on and after August 1, 2025, are subject to optional redemption in advance of maturity, on August 1, 2024.

4. The Governing Board of the District (the "Board") is authorized to provide for the issuance and sale of refunding bonds pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Bond Law").

5. In order to realize savings for taxpayers in the District, the District is issuing its Benicia Unified School District 2022 General Obligation Refunding Bonds, in an aggregate principal amount of \$_____ (the "Refunding Bonds"), to refund, on an advance basis, certain maturities of the outstanding Prior Bonds (such portion, the "Refunded Bonds").

6. The Refunding Bonds bears interest at the rate per annum as set forth in Section 2.02 hereof and as identified on Appendix B hereto, initially being the Taxable Rate (defined herein), which rate is subject to conversion, but only upon satisfaction of certain conditions precedent identified in Section 2.02 hereof, to the Tax-Exempt Rate on the Tax-Exempt Conversion Date (as such terms are defined herein).

A G R E E M E N T :

In consideration of the foregoing and the material covenants hereinafter contained, the District and the Paying Agent formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

SECTION 1.01. *Definitions.* The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Agreement, have the meanings given them below, unless the context clearly requires some other meaning.

“Agreement” means this Paying Agent Agreement, as originally entered into and including all amendments hereto and supplements hereof which are duly executed and delivered from time to time in accordance herewith.

“Authorizing Resolution” means Resolution _____, adopted by the Board on _____, 2022, authorizing the issuance of the Bonds.

“Board” means the Governing Board of the District.

“Bond Counsel” means (a) the firm of Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax status of securities issued by public entities.

“Bond Law” means Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code, as in effect on the date of adoption hereof and as amended hereafter.

“Bonds” means the Benicia Unified School District 2022 General Obligation Refunding Bonds, at any time Outstanding under this Agreement.

“Business Day” means a day of the year, other than a Saturday or Sunday, on which banks or trust company are not closed in New York, New York, or the city in which the Principal Office of the Paying Agent is located.

“Closing Date” means May __, 2022, being the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to the costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Paying Agent and its counsel, legal fees and charges, fees and disbursements of consultants and professionals, counsel to the Original Purchaser, and any other cost, charge or fee in connection with the original issuance and sale of the Bonds.

"Costs of Issuance Account" means the account of that name established and held by the Paying Agent, as provided in Section 3.03.

"County" means the County of Solano, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

"County Treasurer" means the Treasurer of Solano County, or any authorized deputy thereof.

"Debt Service Fund" means the fund established by the District and held by the County Treasurer under Section 4.03.

"Determination of Taxability" means, after the Tax-Exempt Conversion date, and shall be deemed to have occurred on the first to occur of the following:

- (i) on the date when the District files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have occurred;
- (ii) on the date when the Assignee notifies the District that it has received a written opinion from Special Counsel to the effect that an Event of Taxability has occurred, which notice shall be accompanied by a copy of such opinion of Special Counsel, unless, within 180 days after receipt by the District of such notification and copy of such opinion from the Assignee, the District shall deliver to the Assignee a ruling or determination letter issued to or on behalf of the District by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;
- (iii) on the date when the District is advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon any review or audit or upon any other ground whatsoever, an Event of Taxability has occurred; or
- (iv) on the date when the District receives notice from the Assignee that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed the interest on the Refunding Bonds as includable in the gross income of the Assignee due to the occurrence of an Event of Taxability, provided that the Assignee has provided a copy of document(s) received from the Internal Revenue Service to the District; *provided, however,* that no Determination of Taxability shall occur under subparagraph (iii) or subparagraph (iv) above unless the District has been afforded the

opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Assignee following an event listed in subparagraphs (i), (ii), (iii) or (iv), the District shall reimburse the Assignee for any payments, including any taxes, interest, penalties or other charges, Assignee shall be obligated to make to the Internal Revenue Service as a result of the Determination of Taxability.

“District” means the Benicia Unified School District, a school district organized under the Constitution and laws of the State of California, and any successor.

“District Representative” means the President of the Board, the Secretary to the Board, the Clerk of the Board, the Superintendent and the Chief Business Official, or any other person authorized by resolution of the Board to act on behalf of the District with respect to this Agreement and the Bonds.

“Education Code” means the Education Code of the State of California as in effect on the date of adoption hereof and as amended thereafter.

“Escrow Agent” means U.S. Bank Trust Company, National Association, acting as escrow agent for the Prior Bonds.

“Escrow Agreement” means the escrow agreement, dated the Closing Date, between the District and the Escrow Agent.

“Escrow Fund” means the Escrow Fund established pursuant to the Escrow Agreement.

“Event of Taxability” means, after the Tax-Exempt Conversion date, any action, inaction or event that has the effect of causing interest paid or payable on the Refunding Bonds to be includable, in whole or in part, in the gross income of the holder of the Refunding Bonds for federal income tax purposes.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest if the return paid by the fund is without regard to the source of investment.

"Federal Securities" means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the District as its official fiscal year period pursuant to written notice filed with the Paying Agent and the Owner.

"Interest Payment Date" means _____, 20__, and the first day of each succeeding February and August while the Bonds are Outstanding.

"Original Purchaser" means _____, its successors and assigns, as original purchaser of the Bonds on the Closing Date.

"Outstanding," when used as of any particular time with reference to Bonds, means all Bonds except (a) Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation, (b) Bonds paid or deemed to have been paid within the meaning of Section 9.02 and (c) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by the District under this Agreement.

"Owner", whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Registration Books.

"Paying Agent" means the Paying Agent appointed by the District and acting as paying agent, registrar and authenticating agent for the Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

"Principal Office" means the office or offices of the Paying Agent for the payment of the Bonds and the administration of its duties hereunder, as such office or offices are identified in a written notice filed with the District by the Paying Agent.

"Record Date" means the 15th calendar day of the month preceding an Interest Payment Date, whether or not such day is a Business Day.

"Registration Books" means the records maintained by the Paying Agent for the registration of ownership and transfer of the Bonds under Section 2.08.

"Securities Act" means the Securities Act of 1933, as amended, and the rules, regulations and published interpretations of the Securities and Exchange Commission promulgated thereunder from time to time.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

“Taxable Rate” means ____% per annum based on a 30-day month and a 360-day year for calculating interest.

“Tax-Exempt Rate” means ____% per annum based on a 30-day month and a 360-day year for calculating interest.

“Tax-Exempt Conversion Date” means any date on or after May 3, 2024 through August 1, 2024.

“Written Request of the District” means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized to act on behalf of the District under a written certificate of a District Representative.

SECTION 1.02. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03. *Authority for this Agreement; Findings.* This Agreement is entered into under the provisions of the Bond Law. The Board hereby certifies that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Bonds, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

ARTICLE II

TERMS OF BONDS

SECTION 2.01. *Authorization.* The Board has previously authorized the issuance of the Bonds under the Authorizing Resolution. The Bonds shall be issued in the aggregate principal amount of \$_____ under the provisions of the Bond Law and this Agreement for the purpose of refunding, on an advance basis, the Refunded Bonds. The Authorizing Resolution and this Agreement constitute a continuing agreement between the District and the Owners of all of the Outstanding Bonds to secure the full and final payment of principal of and interest on the Bonds, subject to the covenants, agreements, provisions and conditions herein contained. The Bonds are designated the “Benicia Unified School District 2022 General Obligation Refunding Bonds.”

SECTION 2.02. *Terms of Bonds.*

(a) Form; Numbering. The Bonds shall be issued as a fully registered Bond, in the full principal amount thereof. Bonds shall be lettered and numbered as the Paying Agent may prescribe.

(b) Date of Bonds. The Bonds shall be dated as of the Closing Date.

(c) Maturities: Interest. The Bonds shall mature on August 1, 20__, and shall bear interest (calculated on the basis of a 360-day comprised of twelve 30-day months) at the rate of _____% per annum.

(d) Conversion to Tax-Exempt Rate. The interest rate payable with respect to the Convertible Bonds, as set forth in Appendix C hereto shall convert to the Tax-Exempt Rate, on any date on and after the Tax-Exempt Conversion Date, upon the happening and the satisfaction of the following conditions precedent to such conversion:

(i) District Election to Convert. The election in writing provided to the Original Purchaser by the District to convert the interest rate payable with respect to the Convertible Bonds to the Tax-Exempt Rate;

(ii) Original Purchaser Right to Change Prepayment Terms. If the District elects to convert, the Original Purchaser has the right to elect to change the prepayment terms as of the Tax-Exemption Conversion Date from the terms identified in Section 2.03 hereof. If the Original Purchaser elects in writing to change the prepayment terms of the Convertible Bonds, the Original Purchaser shall select one of the two prepayment term options listed below upon conversion:

OPTION A: The Convertible Bonds are subject to prepayment, at the option of the District on any Interest Payment Date, in whole or in part, from any available source of funds, commencing on _____, at a prepayment price equal to the principal amount thereof, together with accrued interest to the date fixed for prepayment, without premium.

OPTION B: The Convertible Bonds are subject to redemption, at the option of the District on any date on and after August 1, 2022, as a whole, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, plus a premium, as set forth in the following table:

<u>Redemption Period</u>	<u>Call Price</u>
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If the Original Purchaser does not make an election regarding the prepayment terms of the Bonds, the Bonds shall remain subject to the redemption terms identified in Section 2.03 hereof.

- (iii) Necessary Document Amendments. The parties hereto execute and deliver appropriate amendments or supplements to this Paying Agent Agreement, if required, subject to the requirements of Section 8.01 hereof relating to amendments hereto;
- (iv) Tax Certificate. Delivery of an arbitrage certificate executed by the District with respect to certain tax matters relating to the interest components of the Convertible Bonds after interest with respect thereto is converted to the Tax-Exempt Rate;
- (v) IRS Form 8038G. The filing of an IRS Form 8038-G, executed by the District; and
- (vi) Special Counsel Opinion. Issuance of an opinion of Special Counsel to the effect that the conditions precedent set forth above to the conversion of interest with respect to the Convertible Bonds to the Tax-Exempt Rate have been satisfied and that subject to the District's compliance with certain covenants, interest with respect to the Convertible Bonds is excludable from gross income of the owners thereof for federal income tax purposes, is not included as an item of tax preference in computing the alternative minimum tax under the Code. Said opinion shall address bank qualification only in the event the District is able to make the necessary designations.

From and after the Tax-Exempt Conversion Date (if any), if a Determination of Taxability has occurred, then from and after the Determination of Taxability, the interest component of the Convertible Bonds shall be calculated at the Taxable Rate

Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated on or before the first Record Date, in which event it will bear interest from

the dated date of the Bonds; *provided, however*, that if at the time of authentication of a Bond, interest is in default thereon, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(e) Payment. Interest on the Bonds (including the final interest payment upon maturity or redemption) is payable by check of the Paying Agent mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Bonds shall be paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. Principal of and premium (if any) on the Bonds are payable in lawful money of the United States of America upon presentation and surrender at the Principal Office of the Paying Agent.

Notwithstanding anything herein to the contrary, so long as the Bonds are owned by the Original Purchaser, (i) the Paying Agent shall pay principal of and interest and redemption premium on the Bonds when due by wire transfer in immediately available funds to the Original Purchaser in accordance with such wire transfer instructions as shall be filed by the Original Purchaser with the Paying Agent from time to time, (ii) payments of principal on the Bonds shall be made without the requirement for presentation and surrender of the Bonds by the Original Purchaser, and (iii) the Paying shall not be required to give notice to the Original Purchaser of the redemption of Bonds under Section 2.03.

SECTION 2.03. *Redemption*. Prior to the Tax-Exempt Conversion Date, the Bonds are subject to redemption, at the option of the District on any date, as a whole, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, plus a premium, as set forth in the following table:

<u>Redemption Period</u>	<u>Call Price</u>
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On and after the Tax-Exempt Conversion Date, the Bonds will be subject to optional redemption prior to maturity as selected by the Purchaser in connection with the conversion of interest on the Bonds to the Tax-Exempt Rate.

In the event the interest rate with respect to the Bonds is not converted from the Taxable Rate to the Tax-Exempt Rate, the Bonds will be subject to redemption, at the option of the District pursuant to the table in this Section.

The Bonds are subject to mandatory sinking fund redemption on the dates and in the amounts, as set forth in the following table, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

Sinking Fund
Redemption Date

Amount
to be Redeemed

Sinking Fund
Redemption Date

Amount
to be Redeemed

SECTION 2.04. *Form of Bonds.* The Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, as set forth in Appendix A.

SECTION 2.05. *Execution of Bonds.* The Bonds shall be signed by the facsimile signature of the President of the Board and shall be attested by the facsimile signature of the Secretary of the Board. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Agreement unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent.

The Bonds shall be in substantially the form attached hereto as Appendix A and incorporated herein by this reference, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Agreement.

Only those Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement.

SECTION 2.06. *Transfer of Bonds.* The District shall provide to the Paying Agent on a continuing basis, an adequate inventory of unauthenticated Bonds to facilitate

transfers. The Paying Agent agrees that it will maintain such unauthenticated Bonds in safekeeping.

(a) Limitations on Transferability.

(i) Ownership of Bonds may be transferred, in whole but not in part, as follows:

- (1) only to a person that is an affiliate of the Owner, or a bank, insurance company or other financial institution, and
- (2) only if such transferee delivers to the District and the Paying Agent a completed and duly executed letter of representations (a "Letter of Representations") substantially in the form attached hereto as Appendix B, and
- (3) only in denominations authorized in Section 2.02(a) of this agreement.

The District and the Paying Agent may rely conclusively upon the information contained in any Letter of Representations.

(ii) No Owner of Bonds shall transfer such Bonds to any person that such Owner does not reasonably believe is purchasing such Bonds for not more than one account, and not with a view to distributing such Bonds. The transferor of ownership of Bonds agrees to provide notice to any proposed transferee of such Bonds of the restrictions on transfer described herein.

(iii) Each person to whom ownership of Bonds is transferred pursuant hereto shall be deemed by the acceptance of such ownership to have agreed to be bound by the provisions of this Section.

(iv) The Bonds shall bear a legend describing or referencing the restrictions on transferability set forth in subsection (i) of this subsection.

(b) Transfer Upon Registration Books; New Bonds. Subject to the requirements of subsection (a), any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new Bond issued upon any transfer.

Whenever any Bond or Bonds is surrendered for transfer, the District will execute and the Paying Agent will authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. No transfer of Bonds is required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond that has been selected for redemption.

(c) Additional Information. The District will furnish, upon request, to the Original Purchaser and to prospective purchasers of the Bonds information with respect to the

Bonds satisfying the requirements of Rule 144A(d)(4) under the Securities Act. The District may charge a reasonable sum for copying, mailing and handling.

SECTION 2.07. *Exchange of Bonds.* Subject to the transferability restrictions of Section 2.06, Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of Bonds of the same maturity. The District may charge a reasonable sum for each new Bond issued upon any exchange (except in the case of any exchange of temporary Bonds for definitive Bonds). No exchange of Bonds is required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after it has been selected for redemption.

In case any Bond shall become mutilated or be destroyed, stolen or lost, the Paying Agent shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Paying Agent in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing by the owner with the Paying Agent of evidence satisfactory to the Paying Agent that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Paying Agent of an appropriate bond of indemnity in form, substance and amount as may be required by law and as is otherwise satisfactory to the Paying Agent. All Bonds so surrendered to the Paying Agent shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment, provided that the owner shall first provide the Paying Agent with a bond of indemnity as set forth above.

SECTION 2.08. *Registration Books.* The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which will at all times be open to inspection by the District upon reasonable notice. Upon presentation for such purpose, the Paying Agent will, under such reasonable regulations as it may prescribe, register or transfer the ownership of the Bonds on the Registration Books.

ARTICLE III

SALE OF BONDS; APPLICATION OF PROCEEDS

SECTION 3.01. *Issuance of Bonds.* Upon the execution and delivery of this Agreement, the District shall execute and deliver Bonds in the aggregate principal amount of \$_____ to the Paying Agent and the Paying Agent shall authenticate and deliver the Bonds for the account of the Original Purchaser upon receipt of a Written Request of the District therefor.

SECTION 3.02. *Deposit and Application of Proceeds.* On the Closing Date, the proceeds of sale of the Bonds in the amount of \$_____ shall be paid by the Original Purchaser as follows:

- (a) the amount of \$_____ shall be transferred to the Escrow Agent for deposit in the Escrow Fund, to be applied for the purposes set forth in the Escrow Agreement.
- (b) the amount of \$_____ shall be paid by the Original Purchaser to the Paying Agent, acting as custodian, to be applied to pay Costs of Issuance in accordance with Section 3.03 hereof.

SECTION 3.03. *Costs of Issuance Account.* The Paying Agent shall establish a separate account known as the Costs of Issuance Account. There shall be deposited into the Costs of Issuance Account the amount specified in Section 3.02(b). The moneys in the Cost of Issuance Account shall be held uninvested and used solely for the purpose of the payment of Costs of Issuance upon receipt by the Paying Agent of invoices approved by the District, on or after the Closing Date. Any funds remaining in the Costs of Issuance Account on _____, 2022, shall be transferred by the Paying Agent to the County Treasurer, for deposit to the Debt Service Fund, and the Costs of Issuance Account shall be closed. Prior to such transfer, the Paying Agent will confirm with the District and its financial advisor that the Costs of Issuance Account shall be closed.

ARTICLE IV

SECURITY FOR THE BONDS; PAYMENT OF DEBT SERVICE

SECTION 4.01. *Security for the Bonds.*

(a) The Bonds are general obligation bonds of the District, and the Board of Supervisors of the County has the power to levy *ad valorem* taxes upon all property within the District subject to taxation without limitation of rate or amount, for the payment of the Bonds and the interest thereon, in accordance with and subject to Sections 15250 and 15252 of the Education Code. The District hereby directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period the Bonds are Outstanding in an amount sufficient to pay the principal of and interest and redemption premium (if any) on the Bonds when due, which moneys when collected will be placed in the Debt Service Fund.

(b) The principal of and interest on Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof, and neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof shall be liable thereon.

SECTION 4.02. *Escrow Fund.* There is established under the Escrow Agreement, as a separate fund, to be maintained distinct from all other funds of the Escrow Agent, the Escrow Fund, to the credit of which a deposit shall be made as required by clause (a) of Section 3.02. Money in the Escrow Fund shall be held by the Escrow Agent and disbursed for the payment of the redemption price of the Refunded Bonds, which shall be paid on the date and in the amounts specified in the Escrow Agreement.

SECTION 4.03. *Establishment of Debt Service Fund.* Pursuant to Section 4.02 of the Authorizing Resolution, the District will establish a Debt Service Fund for the Bonds to be designated the "Benicia Unified School District 2022 General Obligation Refunding Bond Debt Service Fund" (the "Debt Service Fund"). The County Treasurer will hold and maintain the fund while the Bonds are outstanding. The interest and sinking fund for the Bonds will be held by the County Treasurer as a separate account, distinct from all other funds of the District, into which shall be paid on receipt thereof, (i) a portion of the proceeds of the Bonds under Section 3.02(b), and (ii) the proceeds of any taxes levied under Section 4.01.

SECTION 4.04. *Pledge and Application of Debt Service Fund.* The Debt Service Fund is hereby pledged for the payment of the principal of and interest on the Bonds when and as the same become due. Amounts in the Debt Service Fund shall be transferred by the County Treasurer to the Paying Agent to the extent required to pay the principal of and interest and redemption premium (if any) on the Bonds when due. In addition, amounts on deposit in the Debt Service Fund shall be applied to pay the fees and expenses of the Paying Agent insofar as permitted by law, including specifically by Sections 15232 and 15233 of the Education Code.

If, after payment in full of the Bonds, any amounts remain on deposit in the Debt Service Fund, the County Treasurer shall transfer such amounts to the General Fund of the District as provided in Section 15234 of the Education Code.

Notwithstanding the foregoing, proceeds of the Bonds deposited in the Debt Service Fund will be used solely for interest on the Bonds.

SECTION 4.05. *Investments.* All moneys held in any of the funds or accounts established with the County Treasurer hereunder shall be invested in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof. The District covenants that all investments of amounts deposited in any fund or account created by or under this Agreement, or otherwise containing proceeds of the Bonds, shall be acquired and disposed of at the Fair Market Value thereof.

ARTICLE V

FINANCIAL COVENANTS

SECTION 5.01. *Punctual Payment.* The District will punctually pay, or cause to be paid, the principal of and interest on the Bonds, in strict conformity with the terms of the Bonds and of this Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and of the Bonds. Nothing herein prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

SECTION 5.02. *Levy for Payment of Bonds.* The District shall take all steps required by law and by the County to ensure that the Board of Supervisors of the County shall annually levy a tax upon all taxable property in the District sufficient to pay the principal of and interest on the Bonds as and when the same becomes due.

SECTION 5.03. *Books and Accounts; Financial Statements.* The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries shall be made of all transactions relating to the expenditure of the proceeds of the Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent (who shall have no duty to inspect) and the Owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The District shall cause to be provided or made available to the Original Purchaser, within 270 days after the close of each Fiscal Year so long as any of the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing all revenues and expenditures of the District for such Fiscal Year. The District shall provide financial or other information to the Original Purchaser upon the Original Purchaser's reasonable request.

SECTION 5.04. *Protection of Security and Rights of Bond Owners.* The District will preserve and protect the security of the Bonds and the rights of the Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District.

SECTION 5.05. *Records and Accounts.* The District shall cause to be prepared annually, within 9 months after the close of each Fiscal Year so long as any of the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing all revenues and expenditures of the District for such Fiscal Year.

SECTION 5.06. *No Sovereign Immunity.* The District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under this Agreement. To the extent the District has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the

District hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement.

SECTION 5.07. *Further Assurances.* The District will adopt, make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Agreement.

SECTION 5.08. *Records Retention.* The District will retain its records of all accounting and monitoring it carries out with respect to the Bonds for at least 3 years after the Bonds mature or are redeemed (whichever is earlier); however, if the Bonds are redeemed and refunded, the District will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Bonds.

SECTION 5.09. *Survival of Refunded Bonds Tax Covenants.* The following covenants related to the Federally tax-exempt status of the Refunded Bonds apply to the Refunded Bonds until their date of redemption.

Private Activity Bond Limitation. The District covenants that it shall assure that the proceeds of the Refunded Bonds are not so used as to cause the Refunded Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Federal Guarantee Prohibition. The District covenants that it shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Refunded Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

No Arbitrage. The District has covenanted that it shall not take, or permit or suffer to be taken any action with respect to the proceeds of the Refunded Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Refunded Bonds would have caused the Refunded Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

Maintenance of Tax-Exemption. The District covenants that it shall take all actions necessary to assure the exclusion of interest on the Refunded Bonds from the gross income of the Owners of the Refunded Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Refunded Bonds.

Rebate Requirement. The District covenants that it shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Refunded Bonds.

ARTICLE VI

THE PAYING AGENT

SECTION 6.01. *Appointment of Paying Agent.* U.S. Bank Trust Company, National Association is hereby appointed to act as Paying Agent for the Bonds and, in such capacity, shall also act as registration agent and authentication agent for the Bonds. The Paying Agent hereby agrees to use the funds deposited with it for payment of the principal of and interest on the Bonds to pay the same as it shall become due and further agrees to establish and maintain such accounts and funds as may be required for the Paying Agent to function as Paying Agent. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement. . These duties shall be deemed purely ministerial in nature, and the Paying Agent shall not be liable except for the performance of such duties, and even during the continuance of an event of default with respect to the Bonds, no implied covenants or obligations shall be read into this Agreement against the Paying Agent. If an event of default has occurred and is continuing, the Paying Agent shall exercise such of the rights and powers vested in it by this Agreement, 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 his own affairs.

The Paying Agent, provided sufficient collected funds have been deposited for such purpose by or on behalf of the District in the account designated by the Bank hereunder (the "Account"), shall pay on behalf of the District the principal of, redemption premium, if any, and interest on each Bond in accordance with the provisions of the Bond. The Paying Agent has no obligation to draw upon any account or pursuant to any letter of credit, insurance policy or other agreement or take any other action to assist the District to comply with its obligations except to the extent expressly set forth in this Agreement.

At any time during which an event of default is not continuing, the District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be (a) the County, or (b) a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 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.

The Paying Agent may at any time resign and be discharged from its duties and obligations hereunder by giving written notice to the District and the Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent (a "Successor Paying Agent") by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a Successor Paying Agent will become effective upon acceptance of appointment by the Successor Paying Agent. If an instrument of acceptance by a Successor Paying Agent shall not have been delivered to the Paying Agent within thirty 30 days after the Paying Agent gives notice of resignation, the Paying Agent may petition any court of competent jurisdiction at the expense of the District for the appointment of a Successor Paying Agent or for other appropriate relief. In the event of resignation of the Paying Agent, upon the written request of the District and

upon payment of all amounts owing to the Paying Agent hereunder the Paying Agent shall deliver to the District or its designee all funds in the Account and unauthenticated Bonds and a copy of the bond register. The provisions of Section 6.03 and Section 6.05 hereof shall survive and remain in full force and effect following the termination of this Agreement.

SECTION 6.02. *Paying Agent May Hold Bonds.* The Paying Agent may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

SECTION 6.03. *Liability of Agents; Indemnification.* The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Agreement. Neither the Paying Agent nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the District, any Owner, or any of their directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Paying Agent may assume performance by all such persons of their respective obligations. The Paying Agent shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other person. The Paying Agent is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. In no event shall the Paying Agent be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Paying Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

If an instrument of acceptance by a Successor Paying Agent shall not have been delivered to the Paying Agent within thirty 30 days after the Paying Agent gives notice of resignation, the Paying Agent may petition any court of competent jurisdiction at the expense of the District for the appointment of a Successor Paying Agent. In the event of resignation of the Paying Agent, upon the written request of the District and upon payment of all amounts owing to the Paying Agent hereunder the Paying Agent shall deliver to the District or its designee all funds in the Account and unauthenticated Bonds and a copy of the bond register. The provisions of Section 6.03 and Section 6.06 hereof shall survive and remain in full force and effect following the termination of this Agreement.

The Paying Agent shall not be liable for any actions taken or errors of judgment made in good faith by it or any of its officers, employees or agents, unless it shall have been negligent in ascertaining the pertinent facts. The permissive rights of the Paying Agent to do things enumerated in this Agreement shall not be construed as a duty and, with respect to such permissive rights, the Paying Agent shall not be liable for other than its gross negligence or willful misconduct in connection with any act or omission hereunder.

No provision of this Agreement requires the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Paying Agent shall not be charged with knowledge of (A) any events or other information, or (B) any default under

this Agreement or any other agreement unless a responsible officer of the Paying Agent shall have actual knowledge thereof.

The Paying Agent shall be entitled to request and receive written instructions from the District and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Paying Agent in accordance with the written direction of District. The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder. The Paying Agent shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Paying Agent in accordance with the advice or opinion of counsel or other professionals and such advice or opinion shall be full authorization and protection with respect to any action taken, suffered or omitted by it hereunder in reliance thereon. The Paying Agent shall not be responsible for delays or failures in performance resulting from acts beyond its control, including without limitation acts of God, strikes, acts of war or terror, governmental regulations, fire, communication line failures, computer viruses, power failures, or other disasters. The Paying Agent is authorized to comply with orders issued or process entered by any court. The Paying Agent may seek adjudication, including by way of interpleader, at the District's expense, of any adverse claim or controversy hereunder in a court of competent jurisdiction. The District and the Paying Agent further agree that the Paying Agent has the right to file an action in interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

To the extent authorized by law, the District shall indemnify the Paying Agent, its officers, directors, employees and agents ("Indemnified Parties") for, and hold them harmless against any loss, cost, claim, liability or expense arising out of or in connection with the acceptance or administration of the Paying Agent's duties hereunder (except any loss, liability or expense as may be adjudged by a court of competent jurisdiction to have been caused by the Paying Agent's gross negligence or willful misconduct), including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers, rights or duties under this Agreement. The Paying Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the District, pursuant to the provisions of this Agreement, unless such District shall have offered to the Paying Agent security or indemnity (satisfactory to the Paying Agent in its sole and absolute discretion) against the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction. The Paying Agent's right to indemnity under this Agreement shall survive the termination or discharge of this Agreement or discharge of the Bonds.

Any corporation or association into which the Paying Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Paying Agent is a party, will be and become the successor the Paying Agent under this Agreement and will have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act

SECTION 6.04. *Notice to Agents.* The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, judgment, decree, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Agreement the Paying Agent deems 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, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Agreement upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable. The Paying Agent may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys and shall not be liable for the actions of such agent or attorney if appointed by it with due care.

In addition, the District agrees to reimburse the Paying Agent, upon its request, for all reasonable out-of-pocket expenses, disbursements, and advances, including without limitation the reasonable fees, expenses, and disbursements of its agents and attorneys, incurred or made by the Paying Agent in connection with entering into and performing under this Agreement or in connection with investigating and defending itself against any claim or liability hereunder.

SECTION 6.05. *Compensation; Indemnification.* The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Agreement. The District will indemnify and save the Paying Agent harmless against any costs, claims, expenses or liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligations of the District under this Section 6.05 shall survive the termination or discharge of this Agreement.

SECTION 6.06. *Electronic Communication.* The Paying Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods. The Original Purchaser is also authorized to transfer funds relating to the closing and initial delivery of the Bonds in the manner disclosed in the closing memorandum as prepared by the District's financial advisor or other agent. The Paying Agent may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the financial advisor or the District as the final closing memorandum. If the District elects to give the Paying Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Paying Agent in its discretion elects to act upon such instructions, the Paying Agent's

understanding of such instructions shall be deemed controlling. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such instructions. The District agrees: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Paying Agent, including without limitation the risk of the Paying Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties; and (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Paying Agent and that there may be more secure methods of transmitting instructions than the method(s) selected by the District.

ARTICLE VII

REMEDIES OF BOND OWNERS

SECTION 7.01. *Events of Default Defined.* The following events constitute events of default hereunder:

- (a) Failure to pay any installment of the principal of any Bonds when due.
- (b) Failure to pay any installment of interest on the Bonds when due.
- (c) Failure by the District to observe and perform any of the other covenants, agreements or conditions on its part contained in this Agreement or in the Bonds, if such failure has continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the District by the owners of a majority in aggregate principal amount of the outstanding Bonds; provided, however, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30-day period, such failure shall not constitute an event of default if the District institutes corrective action within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.
- (d) The filing by the District of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the District, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property.

SECTION 7.02. *Remedies of Bond Owners.* Upon the occurrence and during the continuation of event of default, any Bond Owner has the right, for the equal benefit and protection of all Bond Owners similarly situated:

- (a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;
- (b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bond Owners' rights; or
- (c) upon the happening and continuation of any default by the District hereunder or under the Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

SECTION 7.03. *Remedies Not Exclusive.* No remedy herein conferred upon the Owners of the Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Bond Owners.

ARTICLE VIII

AMENDMENT OF THIS AGREEMENT

SECTION 8.01. *Amendments Effective Without Consent of the Owners.* For any one or more of the following purposes and at any time or from time to time, a Supplemental Agreement may be approved by the District and Paying Agent, which, without the requirement of consent of the Owners of the Bonds, shall be fully effective in accordance with its terms:

- (a) To add to the covenants and agreements of the District in this Agreement, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Agreement as theretofore in effect;
- (b) To confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Agreement, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Agreement;
- (c) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Agreement, which in any event shall not materially adversely affect the interests of the Bond Owners, in the opinion of Bond Counsel filed with the District; or
- (d) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income

taxation of interest on the Bonds, in the opinion of Bond Counsel filed with the District, the Paying Agent and the Original Purchaser.

Notwithstanding the foregoing provisions of this Section 8.01, so long as any of the Bonds are owned by the Original Purchaser, no amendment under this Section 8.01 shall be effective without the prior written consent of the Original Purchaser.

SECTION 8.02. *Amendments Effective With Consent of the Owners.* Any modification or amendment of this Agreement and of the rights and obligations of the District and of the Owners of the Bonds, in any particular, may be made by a Supplemental Agreement, with the written consent of the Owners of a majority in aggregate principal amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 relating to Events of Default, or shall reduce the amount of moneys pledged for the repayment of the Bonds without the consent of all the Owners of such Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

SECTION 8.03. *Prohibited Amendments.* No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 relating to Events of Default, or shall reduce the amount of moneys pledged for the repayment of the Bonds without the consent of all the Owners of such Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. *Benefits Limited to Parties.* Except with respect to the Indemnified Parties, nothing in this Agreement, expressed or implied, is intended to give to any person other than the District, the County, the Paying Agent, the Original Purchaser and the Owners of the Bonds, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners of the Bonds.

SECTION 9.02. *Defeasance.*

(a) Discharge of Agreement. Provided that the District first obtains written confirmation from the Internal Revenue Service, or an opinion of Bond Counsel in form and substance acceptable to the Owner, which provides that doing so will not adversely affect the tax status of interest on the Bonds, the Bonds may be paid by the District in any

of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

- (i) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;
- (ii) by irrevocably depositing, in an account, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such Bonds; or
- (iii) by delivering such Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Agreement), and notwithstanding that any Bonds have not been surrendered for payment, this Agreement and other assets made under this Agreement and all covenants, agreements and other obligations of the District under this Agreement shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Agreement which are not required for the payment of Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Bonds. Upon the deposit, in an account, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Agreement it is provided or permitted that there be deposited with or held in an account by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities

held by the Paying Agent in the funds and accounts established under this Agreement and shall be:

- (i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or
- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice.

(d) Payment of Bonds After Discharge of Agreement. Notwithstanding any provisions of this Agreement, any moneys held by the Paying Agent in an account for the payment of the principal or redemption price of, or interest on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption, as provided in this Agreement), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the arrangement created by this Agreement, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

SECTION 9.03. *Execution of Documents and Proof of Ownership by Bond Owners.* Any request, declaration or other instrument which this Agreement may require or permit to be executed by Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Bond Owner or such Owner's attorney of such request, declaration or other instrument, or of such 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 in which he purports to act, that the person signing such request,

declaration 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.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

SECTION 9.04. *Waiver of Personal Liability.* No Board member, officer, agent or employee of the District is individually or personally liable for the payment of the principal of or interest on the Bonds. Nothing herein contained relieves any such Board member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.05. *Indemnification.* The District agrees to indemnify, defend and save the County (including its officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

SECTION 9.06. *Destruction of Canceled Bonds.* All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent, shall be promptly cancelled by it and, if surrendered to the District, shall be delivered to the Paying Agent and, if not already cancelled, shall be promptly cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any Bonds previously authenticated and delivered which the District may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent. All cancelled Bonds held by the Paying Agent for its retention period then in effect and shall thereafter be destroyed and evidence of such destruction furnished to the District upon its written request.

SECTION 9.07. *Entire Agreement; Partial Invalidity.* This Agreement and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written. If any section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The District hereby declares that it would have adopted this Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the Deputy Superintendent of the District in trust for the benefit of the Bond Owners.

SECTION 9.08. *Payment on Business Days.* Whenever in this Agreement any amount is required to be paid on a day which is not a Business Day, such payment shall

be required to be made on the Business Day immediately following such day, provided that interest shall not accrue from and after such day.

SECTION 9.09. *Notices.* Any notice, request, complaint, demand or other communication under this Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The District or the Paying Agent may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the District: Benicia Unified School District
350 East K Street
Benicia, CA 94510
Attention: Superintendent

If to the Paying Agent: U.S. Bank Trust Company, National Association
1 California Street, Suite 1000
San Francisco, CA 94111
Attn: Global Corporate Trust

If to the Original Purchaser: _____

Attention: _____

SECTION 9.10. *Unclaimed Moneys.* Anything in this Agreement to the contrary notwithstanding, subject to the laws of the State of California, any moneys held by the Paying Agent for the payment and discharge of any of the Bonds which remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated maturity dates, if such moneys were held by the Paying Agent at such date, or for two years after the date of deposit of such moneys if deposited with the Paying Agent after said date when such Bonds become due and payable, shall, at the Written Request of the District, be repaid by the Paying Agent to the District, as its absolute property and free from the account, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of such Bonds; *provided, however*, that before being required to make any such payment to the District, the Paying Agent shall, at the expense of the District, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the Registration Books, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the District.

SECTION 9.11. *Execution in Several Counterparts.* This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the District and the Paying Agent shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 9.12. *Governing Law.* This Agreement shall be construed and governed in accordance with the laws of the State of California. The parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal or state court sitting in the State of California, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party.

SECTION 9.13. *Waiver of Jury Trial; Agreement for Judicial Reference.* To the fullest extent permitted by law, the District hereby waives its right to trial by jury in any action, proceeding and/or hearing on any matter whatsoever arising out of, or in any way connected with, the Bonds, this Agreement or any documents relating to the Bonds or this Agreement, or the enforcement of any remedy under any law, statute, or regulation. To the extent such waiver is not enforceable, the District hereby consents to the adjudication of any and all such matters pursuant to Judicial Reference as provided in Section 638 of the California Code of Civil Procedure, and the judicial referee shall be empowered to hear and determine any and all issues in such Reference whether fact or law.

Section 9.14. *Patriot Act Compliance.* To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. The Paying Agent may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

IN WITNESS WHEREOF, the BENICIA UNIFIED SCHOOL DISTRICT has caused this Agreement to be signed in its name by its duly authorized officers and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION has caused this Agreement to be signed in its corporate name by its duly authorized officer, all as of the day and year first above written.

BENICIA UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,**
as Paying Agent

By: _____
Vice President

APPENDIX A

FORM OF BOND

REGISTERED BOND NO. 1

\$_____

BENICIA UNIFIED SCHOOL DISTRICT 2022 GENERAL OBLIGATION REFUNDING BOND

INTEREST RATE

_____%

MATURITY DATE:

August 1, 20__

DATED DATE:

_____, 2022

REGISTERED OWNER:

PRINCIPAL AMOUNT:

*** _____ ***

NO TRANSFER, SALE OR OTHER DISPOSITION OF THIS BOND MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SECTION 2.06 OF THE PAYING AGENT AGREEMENT.

The BENICIA UNIFIED SCHOOL DISTRICT (the "District"), located in Solano County, California (the "County"), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon, calculated on a 30/360 day basis, until the Principal Amount is paid or provided for, at the Interest Rate stated above, such interest to be paid on February 1 and August 1 of each year, commencing _____ (each, an "Interest Payment Date"). This Bond will bear interest from the Interest Payment Date next preceding the date of authentication hereof, unless (a) it is authenticated as of a business day following the 15th calendar day of the month immediately preceding any Interest Payment Date (each, a "Record Date") and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated on or before _____, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are payable in lawful money of the United States of America to the person in whose name this Bond is registered (the "Registered Owner") on the Bond registration books maintained by the paying agent for the Bonds, initially U.S. Bank Trust Company, National Association (the "Paying Agent"). Principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the preceding Record Date; *provided, however*, that at the written request of the registered owner of any Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Paying Agent prior to any Record Date, interest on such Bonds shall be paid on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request.

So long as this Bond is owned by _____ (including its successors or assigns, the "Original Purchaser"), the following shall apply: (a) this Bond is not required to be presented and surrendered to the Paying Agent for payment at any time prior to the final maturity thereof, and (b) the Paying Agent will pay the principal of and interest on this Bond by wire transfer to the Original Purchaser in accordance with the wire transfer instructions provided by the Original Purchaser to the Paying Agent from time to time; provided that principal on this Bond which is payable at maturity shall be made only upon presentation and surrender hereof at the Office of the Paying Agent as set forth in the preceding paragraph.

This Bond is one of a duly authorized issue of bonds of the District designated as "Benicia Unified School District 2022 General Obligation Refunding Bonds" (the "Bonds") in an aggregate principal amount of \$_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions) and all issued pursuant to the provisions of Sections 53550 et seq. of the California Government Code (the "Bond Law"), pursuant to a resolution of the District adopted on October 11, 2021 (the "Resolution"), authorizing the issuance of the Bonds, and a Paying Agent Agreement dated as of May 1, 2022 (the "Paying Agent Agreement") between the District and the Paying Agent. Reference is hereby made to the Resolution and the Paying Agent Agreement (copies of which are on file at the office of the Paying Agent) and the Bond Law for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which Resolution and Paying Agent Agreement the Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued to refund certain of the District's outstanding General Obligation Bonds Election of 2014, Series A.

All capitalized terms herein shall have the same meaning as the capitalized terms in the Paying Agent Agreement. Reference is hereby made to the Paying Agent Agreement (copies of which are on file at the office of the District) and the Bond Law for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder. Reference is made to the Paying Agent Agreement for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the Paying Agent Agreement.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Paying Agent Agreement) are general obligations of the District. Subject to Education Code Section 15250, the Board of Supervisors of Solano County has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District.

The principal of and interest on this Bond do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of

the officers, agents and employees thereof, and none of the County, the State of California, any of its political subdivisions, or any of the officers, agents and employees thereof shall be liable hereon. Except as provided in the Paying Agent Agreement, in no event shall the principal of and interest on this Bond be payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District.

The Bonds are subject to optional redemption prior to maturity on any date, with 30 days prior written notice to the Original Purchaser, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

The Bonds are subject to mandatory sinking fund redemption on the dates and in the amounts, as set forth in the following table, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

<u>Sinking Fund</u> <u>Redemption Date</u>	<u>Amount to be</u> <u>Redeemed</u>
---	--

Ownership of a Bond may be transferred (a) only to a person that is purchasing such Bond for not more than one account and not with a view to distributing such Bond, and (b) only if such affiliate of the Owner, or bank, insurance company or other financial institution delivers to the District and the Paying Agent a completed and duly executed Letter of Representations substantially in the form attached as Appendix B to the Paying Agent Agreement. No Owner of a Bond shall transfer such Bond to any person that such Owner does not reasonably believe is purchasing such Bond for not more than one account and not with a view to distributing such Bond. The transferor of ownership of a Bond agrees to provide notice to any proposed transferee of such Bond of the restrictions on transfer described in the Paying Agent Agreement.

It is certified, recited and declared that all acts and conditions required by the Constitution and laws of the State of California to exist, to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, without limitation as to rate or amount, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

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

This Bond shall be not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Paying Agent Agreement until the Certificate of Authentication below has been manually signed by the Paying Agent.

IN WITNESS WHEREOF, the Benicia Unified School District has caused this Bond to be executed by the facsimile signature of the President of its Governing Board, and attested by the facsimile signature of the Secretary to its Governing Board, all as of the date stated above.

BENICIA UNIFIED SCHOOL DISTRICT

By: _____
President
Governing Board

Attest:

Secretary
Governing Board

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Paying Agent Agreement referred to herein.

Date of Authentication: _____, 2022

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,**
as Paying Agent

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____,
attorney, to transfer the same on the registration books of the Bond Registrar, with full
power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by
a an eligible guarantor institution.

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

APPENDIX B

FORM OF LETTER OF REPRESENTATIONS

Benicia Unified School District
350 East K Street
Benicia, CA 94510

Re: \$_____ Benicia Unified School District
 2022 General Obligation Refunding Bonds

Ladies and Gentlemen:

The undersigned (the "Purchaser") is purchasing all of the outstanding Benicia Unified School District 2022 General Obligation Refunding Bonds (the "Bonds"). The terms of the Bonds are specified in the Paying Agent Agreement dated as of May 1, 2022 (the "Paying Agent Agreement"), by and between the Benicia Unified School District (the "District") and U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"). Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Paying Agent Agreement.

The Purchaser hereby certifies, represents, warrants, acknowledges, and covenants as follows:

(a) The Purchaser understands and acknowledges that the District will rely on the certifications, representations, warranties, acknowledgements, and covenants contained in this Letter of Representations.

(b) The Purchaser is duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it was incorporated or formed and is authorized to purchase the Bonds.

(c) The Purchaser is a bank, insurance company or other financial institution.

(d) The Purchaser is not purchasing the Bonds for more than one account, has no present intention to resell the Bonds, and is not purchasing the Bonds with a view to distributing the Bonds.

(e) The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other obligations similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Purchaser is able to bear the economic risks of such an investment.

(f) The Purchaser recognizes that an investment in the Bonds involves significant risks, that there is no established market for the Bonds and that none is

likely to develop and, accordingly, that the Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(g) The Purchaser understands and agrees that it may resell or otherwise transfer the Bonds in whole, and not simply a portion thereof, only to an institution that (i) the Purchaser reasonably believes is a bank, insurance company or other financial institution purchasing the Bonds for its own account, (ii) delivers to the District an executed Letter of Representations substantially in the form hereof, and (iii) otherwise complies in all respects with the provisions of the Paying Agent Agreement regarding such sale or transfer.

(h) The Purchaser is not relying upon the District, the Paying Agent, or any of their affiliates or employees for advice as to the merits and risks of investment in the Bonds. The Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(i) The Purchaser has conducted its own independent examination of, and has had an opportunity to ask questions and receive answers concerning, the District, the Paying Agent, the Paying Agent Agreement, the Bonds, and the security therefor, and the transactions and documents related to or contemplated by the foregoing.

(j) The Purchaser has been furnished with all documents and information regarding the District, the Paying Agent, the Paying Agent Agreement, the Bonds, and the security therefor, and the transactions and documents related to or contemplated by the foregoing, and all matters related thereto, that it has requested.

(k) The Purchaser understands that the offering and sale of the Bonds by the District to the initial purchaser were exempt from Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, pursuant to Section (d)(1)(i) of said Rule.

(l) No official statement or other disclosure document is being prepared in connection with the issuance of the Bonds.

(m) The Purchaser understands that the Bonds carry no rating from any rating service.

(n) The Purchaser understands that the Bonds are not registered under the Securities Act of 1933 and are not registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state.

(o) The person executing this letter on behalf of the Purchaser is duly authorized to do so on the Purchaser's behalf.

IN WITNESS WHEREOF, the Purchaser has executed this Letter of Representations as of the date set forth below.

Dated: _____, 2022

Very truly yours,

APPENDIX C

CONVERTIBLE BONDS DEBT SERVICE SCHEDULE