

FISCAL AGENT AGREEMENT

Dated as of May 1, 2016

by and between the

MT. DIABLO UNIFIED SCHOOL DISTRICT

and

U.S. BANK NATIONAL ASSOCIATION

as Fiscal Agent

Relating to:

**\$ _____
Mt. Diablo Unified School District
Community Facilities District No. 1
Series 2016 Special Tax Refunding Bonds**

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FISCAL AGENT AGREEMENT

\$ _____
**Mt. Diablo Unified School District
Community Facilities District No. 1
Series 2016 Special Tax Refunding Bonds**

THIS FISCAL AGENT AGREEMENT (this "Agreement") is made and entered into and dated as of May 1, 2016, by and between the Mt. Diablo Unified School District (the "School District"), on behalf of itself and the Mt. Diablo Unified School District Community Facilities District No. 1 (the "Community Facilities District"), and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, as fiscal agent (the "Fiscal Agent").

RECITALS

A. The Board of Education (the "Board") of the Mt. Diablo Unified School District (the "School District"), acting as legislative body of the Community Facilities District, has formed the Community Facilities District under the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311, et seq. of the California Government Code) (the "Act") and its resolutions determining and deciding to reconfirm the establishment of the Community Facilities District originally adopted on January 17, 1989, as subsequently reconfirmed and amended (collectively, the "Resolutions of Formation").

B. The Board, as the legislative body of the Community Facilities District, is authorized under the Act to levy special taxes to finance and refinance the costs of publicly owned facilities and to authorize the issuance of bonds secured by said special taxes under the Act.

C. Under the Act, the Board has issued the following special tax bonds (collectively, the "Prior Bonds"):

- \$15,760,000 Mt. Diablo Unified School District Community Facilities District No. 1 Series 2005 Special Tax Revenue and Refunding Bonds (the "2005 Bonds"), issued under Resolution No. 1:8-7-90-91 adopted on August 7, 1990, as subsequently supplemented and amended (the "Original Resolution"), as further supplemented by Resolution No. 04/05-48 adopted on May 10, 2005 (the "Fifth Supplemental Resolution"), and

- \$29,995,000 Mt. Diablo Unified School District Community Facilities District No. 1 Series 2006 Special Tax Refunding Bonds (the "2006 Bonds"), issued under Resolution No. 05/06-79 adopted on May 23, 2006 (the "Sixth Supplemental Resolution" and, collectively with the Original Resolution and the Fifth Supplemental Resolution, the "Prior Resolution").

E. It is now the intent of the School District and District to issue a series of bonds captioned "Mt. Diablo Unified School District Community Facilities District No. 1 Series 2016 Special Tax Refunding Bonds" in an aggregate principal amount of \$ _____ (the "Bonds") in order to refund and defease the Prior Bonds, provided that such issuance would be in accordance with the Act and this Agreement, and authorized the execution hereof.

F. It is in the public interest and for the benefit of the School District and the Community Facilities District that the School District enter into this Agreement to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the Bonds and the administration and payment of the Bonds.

G. All things necessary to cause the Bonds, when executed by the School District and issued as in the Act, the Resolution and this Agreement to be legal, valid and binding, and special obligations of the School District in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, IN CONSIDERATION of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

**ARTICLE I
STATUTORY AUTHORITY AND DEFINITIONS**

Section 1.01. Authority for this Agreement. This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02. Agreement for Benefit of Owners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the School District are for the equal benefit, protection and security of the Owners. All of the Bonds, without regard to the time or times of their issuance or maturity, will be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement. The Fiscal 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 Fiscal Agent.

Section 1.03. Definitions. Unless the context otherwise requires, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, the terms defined in this Section 1.03 have the meanings herein specified. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 et seq. of the California Government Code.

"Administrative Expenses" means the actual or reasonably estimated costs incurred by the School District directly related to the administration of the Community Facilities District and the Special Taxes, including without limitation the following:

- (A) the costs of computing the Special Taxes and of preparing the annual Special Tax collection schedules (whether by employees of or consultants employed by the School District);
- (B) the costs of collecting the Special Taxes (whether by the County or otherwise);
- (C) the costs of remitting the Special Taxes to the Fiscal Agent for the Bonds;
- (D) the fees and expenses of the Fiscal Agent (including its legal counsel) in the discharge of the duties required of it under this Agreement;
- (E) the costs incurred by the School District in complying with the disclosure requirements of applicable federal and state securities laws, California Government Code Section 50075.1, et seq., the Continuing Disclosure Certificate, the Act, and this Agreement, including those related to public inquiries regarding the Special Tax;
- (F) the costs of the School District or its designee related to any appeal of the Special Tax;

(G) any amounts required to be rebated to the federal government in order for the School District to comply with Section 5.10;

(H) an allocable share of the salaries of the School District staff directly relating to all of the foregoing;

(I) amounts advanced by the School District for Administrative Expenses or any other administrative purposes of the Community Facilities District; and

(J) the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes.

“Administrative Expense Fund” means the fund by that name established by Section 4.07(A) hereof.

“Administrative Expense Requirement” means, for Fiscal Year 2015-16, \$69,931.40, and thereafter, an amount equal to the Administrative Expense Requirement for the prior Fiscal Year increased by ____%.

“Agreement” means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions hereof.

“Annual Debt Service” means, for each Bond Year, the sum of

(A) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and

(B) the principal amount of the Outstanding Bonds due in such Bond Year.

“Auditor” means the auditor-controller of the County.

“Authorized Officer” means the Superintendent, the Director of Fiscal Services, the General Counsel, or any other officer or employee authorized by the Board or by an Authorized Officer to undertake the action referred to in this Agreement as required to be undertaken by an Authorized Officer.

“Board” means the Board of Education of the School District, acting as legislative body of the Community Facilities District.

“Bond Counsel” means Jones Hall, A Professional Law Corporation, or any attorney or firm of attorneys selected by the School District with expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established by Section 4.05(A).

“Bond Register” means the books for the registration and transfer of Bonds maintained by the Fiscal Agent under Section 2.08.

“Bond Year” means the one-year period beginning on August 2nd in each year and ending on August 1st in the following year, except that the first Bond Year will begin on the Closing Date and end on August 1, 2016.

“Bonds” means Mt. Diablo Unified School District Community Facilities District No. 1 Series 2016 Special Tax Refunding Bonds.

“Business Day” means any day other than (i) a Saturday or a Sunday, or (ii) a day on which banking institutions in California, the state in which the Fiscal Agent has a corporate trust office are authorized or obligated by law or executive order to be closed.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“Closing Date” means _____, 2016, being the date upon which there is delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Community Facilities District” means the Mt. Diablo Unified School District Community Facilities District No. 1, formed by the School District under the Act and the Resolutions of Formation.

“Community Facilities District Account” means the account by that name within the Special Tax Fund established by Section 4.06(A).

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the School District and acknowledged and consented to by Dale Scott & Company, as dissemination agent, dated the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the School District and related to the authorization, sale and issuance of the Bonds, which include, without limitation, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees and charges of the Fiscal Agent including its first annual administration fee and fees and expenses of its counsel, expenses incurred by the School District in connection with the issuance of the Bonds, special tax consultant fees and expenses, bond underwriter’s discount, legal fees and charges, including bond counsel, disclosure counsel, financial consultants’ fees, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

“Costs of Issuance Fund” means the fund by that name established by Section 4.03(A).

“County” means the County of Contra Costa, California.

“Debt Service” means the scheduled amount of interest and amortization of principal payable by reason of Section 2.02(D) on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.13.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Escrow Agent” means U.S. Bank National Association, acting in its capacity as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated as of May 1, 2016, by and between the School District and the Escrow Agent.

“Escrow Fund” means the fund by that name established under the Escrow Agreement.

“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

(A) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code,

(B) 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,

(C) 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

(D) any commingled investment fund in which the School District and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

To the extent required by the applicable regulations under the Code, the term “investment” will include a hedge.

“Federal Securities” means

(A) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; and

(B) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are fully, unconditionally and directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

“Fiscal Agent” means U.S. Bank National Association appointed by the School District and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“Independent Financial Consultant” means any consultant or firm of such consultants appointed by an Authorized Officer, and who, or each of whom:

(A) is judged by the Authorized Officer to have experience in matters relating to the issuance and/or administration of bonds under the Act;

(B) is in fact independent and not under the domination of the School District;

(C) does not have any substantial interest, direct or indirect, with or in the School District, or any owner of real property in the Community Facilities District, or any real property in the Community Facilities District; and

(D) is not connected with the School District as an officer or employee of the School District, but who may be regularly retained to make reports to the School District.

“Information Service” means the Electronic Municipal Market Access (EMMA) system maintained by the Municipal Securities Rulemaking Board, accessible at the emma.msrb.org website, and, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the School District may designate in a Written Request delivered to the Fiscal Agent.

“Interest Payment Dates” means February 1 and August 1 of each year, commencing August 1, 2016.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Moody’s” means Moody’s Investors Service, and any successor thereto.

“Net Special Taxes” means, after the Administrative Expense Requirement is funded to the Administrative Expense Fund pursuant to Section 4.06(B); the proceeds of the Special Taxes received by the School District; any scheduled payments, interest thereon, collections of any delinquent Special Taxes; and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon. “Net Special Taxes” does not include any penalties or costs of collecting delinquent Special Taxes collected in connection with delinquent Special Taxes.

“Ordinance” means any ordinance adopted by the Board as legislative body of the Community Facilities District providing for the levy of the Special Taxes.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated, as representative of itself and Brandis Tallman LLC, the first purchasers of the Bonds from the School District.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.04) all Bonds except: (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (iii) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by the School District pursuant to this Agreement or any Supplemental Agreement.

“Owner” means any person who is the registered owner of any Outstanding Bond.

“Permitted Investments” means, subject to applicable law:

(A) Federal Securities.

(B) U.S. dollar denominated deposit accounts, federal funds and bankers’ acceptances with domestic commercial banks, which may include the Fiscal Agent and its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s Investors Service and “A-1” or “A-1+” by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(C) Commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s and “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase;

(D) Investments in a money market fund rated “AAAm” or “AAAm-G” or better by S&P, including such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (ii) the Fiscal Agent collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(E) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and which at the time of purchase are rated, based on an irrevocable escrow account or fund, at rates at least as high as direct and general obligations of the United States of America by either of Moody’s or S&P or any successors thereto; or

(F) Municipal Obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P.

“**Principal Office**” means the corporate trust office of the Fiscal Agent set forth in Section 9.06 or such other or additional offices as may be designated by the Fiscal Agent.

“**Prior Bonds**” means, collectively, the bonds captioned “\$15,760,000 Mt. Diablo Unified School District Community Facilities District No. 1 Series 2005 Special Tax Revenue and Refunding Bonds,” and “\$29,995,000 Mt. Diablo Unified School District Community Facilities District No. 1 Series 2006 Special Tax Refunding Bonds.”

“**Prior Resolution**” means Resolution No. 1:8-7-90-91 adopted on August 7, 1990, as subsequently supplemented and amended, as further supplemented by Resolution No. 04/05-48 adopted on May 10, 2005, and by Resolution No. 05/06-79 adopted on May 23, 2006, under which the Prior Bonds were issued.

“**Record Date**” means the 15th day of the month (whether or not such day is a Business Day) next preceding the month of the applicable Interest Payment Date.

“**Representation Letter**” means the representation letter between the School District and DTC in effect as of the Closing Date.

“**Reserve Fund**” means the fund by that name established pursuant to Section 4.04(A) hereof.

“**Reserve Requirement**” means, as of any date of calculation, an amount equal to the least of

- (i) the then Maximum Annual Debt Service,
- (ii) 125% of the then average Annual Debt Service, or
- (iii) 10% of the initial principal amount of the Bonds issued hereunder.

“**Resolution**” means Resolution No. _____, adopted by the Board on _____, 2016, authorizing issuance of the Bonds.

“**Resolutions of Formation**” means the resolutions of the Board determining and deciding to reconfirm the establishment of the Community Facilities District originally adopted on January 17, 1989, as subsequently reconfirmed and amended.

“**S&P**” means Standard & Poor’s Ratings Service, a Standard & Poor’s Financial Services LLC business, and any successor thereto.

“**School District**” means the Mt. Diablo Unified School District, and any successor thereto.

“**Securities Depositories**” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attn. Call Notification Department, Fax (212) 855-7232, and, in accordance with then current guidelines of the Securities and Exchange Commission,

such other addresses and such other securities depositories as the School District may designate in a written direction of an Authorized Officer delivered to the Fiscal Agent.

“Special Tax Formula” means the Special Tax Formula for the Community Facilities District, as approved by the qualified voters of the Community Facilities District.

“Special Tax Fund” means the fund by that name established by Section 4.06(A).

“Special Taxes” means the special taxes levied within the Community Facilities District pursuant to the Act, the Special Tax Formula, the Ordinance and this Agreement.

“Supplemental Agreement” means an agreement the execution of which is authorized by a resolution that has been duly adopted by the legislative body of the School District under the Act and which agreement amends or supplements this Agreement, but only if and to the extent that such agreement is specifically authorized under this Agreement.

“Tax Consultant” means any independent financial or tax consultant retained by the School District for the purpose of computing the Special Taxes.

ARTICLE II
THE BONDS

Section 2.01. Principal Amount; Designation. Bonds in the aggregate principal amount of \$_____ are hereby authorized to be issued by the School District under and subject to the terms of the Resolution and this Agreement, the Act and other applicable laws of the State of California.

The Bonds shall be designated as the "Mt. Diablo Unified School District Community Facilities District No. 1 Series 2016 Special Tax Refunding Bonds."

Section 2.02. Terms of the Bonds.

(A) **Form; Denominations.** The Bonds shall be issued as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple in excess thereof.

(B) **Date of Bonds.** The Bonds shall be dated the Closing Date.

(C) **CUSIP Identification Numbers.** "CUSIP" identification numbers shall be imprinted on the Bonds, but such numbers will not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Bonds. In addition, failure on the part of the School District or the Fiscal Agent to use such CUSIP numbers in any notice to Owners shall not constitute an event of default or any violation of the School District's contract with such Owners and shall not impair the effectiveness of any such notice.

(D) **Maturities, Interest Rates.** The Bonds shall mature and become payable on August 1 in each of the years, and shall bear interest at the rates per annum, as follows:

Maturity Date (August 1)	Principal Amount	Interest Rate
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		

(E) **Interest.** The Bonds shall bear interest at the rates set forth above payable on the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless

(i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or

(ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or

(iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date;

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

(F) **Method of Payment.** Interest on the Bonds (including the final interest payment upon maturity) is payable by check of the Fiscal Agent mailed on the Interest Payment Dates by first class mail to the registered Owner thereof at the registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer (i) to the Depository (so long as the Bonds are in book-entry form pursuant to Section 2.13), or (ii) to an account within the United States made on such Interest Payment Date upon written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds, which instructions shall continue in effect until revoked in writing, or until such Bonds are transferred to a new Owner.

The principal of the Bonds is payable by check in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent. All Bonds paid by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and issue a certificate of destruction thereof to the School District.

Section 2.03. No Redemption. The Bonds are not subject to redemption before maturity.

Section 2.04. Form of Bonds. The Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution and the Act.

Section 2.05. Execution and Authentication. The Bonds shall be signed on behalf of the School District by the manual or facsimile signature of the President or Vice-President of the Board and attested by the manual or facsimile signature of the Secretary of the Board in their capacity as officers of the School District. If any one or more of the officers who have signed any of the Bonds cease to be such officer before the Bonds so signed have been authenticated and delivered by the Fiscal Agent (including new bonds delivered pursuant to this provisions hereof with reference to the transfer and exchange of Bonds or to lost, stolen, destroyed or mutilated Bonds), such Bonds shall nevertheless be valid and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office.

Only such Bonds as bear thereon such certificate of authentication duly executed by the Fiscal Agent shall be entitled to any right or benefit under this Agreement, and no Bond shall be

valid or obligatory for any purpose until such certificate of authentication has been duly executed by the Fiscal Agent.

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form acceptable to the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the School District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond is or Bonds are surrendered for transfer, the School District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount of authorized denominations.

No transfers of Bonds will be required to be made between a Record Date and the succeeding Interest Payment Date.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same series and maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the School District. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds will be required to be made between a Record Date and the succeeding Interest Payment Date.

Section 2.08. Bond Register. The Fiscal Agent will keep or cause to be kept, at its Principal Office, sufficient books for the registration and transfer of the Bonds, which books shall show the series number, date, amount, rate of interest and last known Owner of each Bond and shall at all times be open to inspection by the School District during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

The School District and the Fiscal Agent will treat the owner of any Bond whose name appears on the Bond Register as the absolute Owner of such Bond for any and all purposes, and the School District and the Fiscal Agent shall not be affected by any notice to the contrary. The School District and the Fiscal Agent may rely on the address of the Owner as it appears in the Bond Register for any and all purposes.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the School District, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the School District upon the same conditions and in substantially the same manner as the definitive Bonds. If the School District issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange

for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent designate, and the Fiscal Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary bonds will be entitled to the same benefits under to this Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.10. Mutilated, Lost, Destroyed or Stolen Bonds. If any Bond becomes mutilated, the School District, at the expense of the Owner of the mutilated Bond, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the mutilated Bond, but only upon surrender to the Fiscal Agent of the mutilated Bond. Every mutilated Bond surrendered to the Fiscal Agent shall be canceled and destroyed by the Fiscal Agent, who shall deliver a certificate of destruction to the School District.

If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and the Owner indemnifies the School District and the Fiscal Agent in a form satisfactory to the Fiscal Agent, the School District, at the expense of the Owner, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the lost, destroyed or stolen Bond.

The School District may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section 2.10 and of the expenses which may be incurred by the School District and the Fiscal Agent for the preparation, execution, authentication and delivery.

Any Bond delivered under the provisions of this Section 2.10 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the School District whether or not the Bond alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

Section 2.11. Limited Obligation. All obligations of the School District under this Agreement and the Bonds shall be special obligations of the School District, payable solely from the Net Special Taxes and the funds pledged therefor hereunder. Neither the faith and credit nor the taxing power of the School District (except to the limited extent set forth herein) or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Section 2.12. No Acceleration. The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the defeasance of the Bonds and discharge of this Agreement under Section 9.03.

Section 2.13. Book-Entry System.

(A) All Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each maturity date of the Bonds. Upon initial issuance, the ownership of each Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. Except as provided in Section 2.13(d) hereof, all Outstanding Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

(B) With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the School District and the Fiscal Agent shall have no responsibility or obligation with respect to

(i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds,

(ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown in the Bond Register, of any notice with respect to the Bonds, or

(iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Bond Register, of any amount with respect to principal of and interest on the Bonds.

The School District and the Fiscal Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal, and interest on such Bond, for the purpose of giving notices with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever.

The Fiscal Agent shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Bond Register, as provided in Section 2.08 hereof, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the School District's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificated Bond evidencing the obligation of the School District to make payments of principal and interest pursuant to this Agreement.

Upon delivery by DTC to the Fiscal Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Agreement shall refer to such new nominee of DTC.

(C) The delivery of the Representation Letter by the School District and the Fiscal Agent shall not in any way limit the provisions of Section 2.13(b) hereof or in any other way impose upon the School District or the Fiscal Agent any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the Bond Register. The Fiscal Agent shall take all action necessary for all representations in the Representation Letter with respect to the Fiscal Agent to be complied with at all times.

(D) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the School District and the Fiscal Agent and discharging its responsibilities with respect thereto under applicable law.

(E) The School District, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the School District determines that:

(i) DTC is unable to discharge its responsibilities with respect to the Bonds,

or

(ii) a continuation of the requirement that all Outstanding Bonds be registered in the Bond Register in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of such Bonds.

(F) Upon the termination of the services of DTC with respect to the Bonds pursuant to subsection (E) above, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection (D) above after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the School District, is willing and able to undertake such functions upon reasonable and customary terms, the School District is obligated to deliver Bond certificates, as described in this Agreement and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names DTC shall designate to the Fiscal Agent in writing, in accordance with the provisions of this Agreement.

(G) Notwithstanding any other provisions of this Agreement to the contrary, as long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

Section 2.14. Additional Bonds Only for Refunding. The School District may from time to time issue additional bonds or other indebtedness payable from Special Taxes only to refund and discharge the Bonds or any portion thereof in accordance with the Act. Any additional bonds or other indebtedness shall constitute Bonds hereunder and shall be secured by a lien on the Net Special Taxes and funds pledged for the payment of the Bonds hereunder on a parity with all other Outstanding Bonds hereunder.

ARTICLE III

ISSUANCE OF BONDS

Section 3.01. Issuance and Delivery of Bonds. At any time after the execution of this Agreement, the School District may issue the Bonds in the aggregate principal amount set forth in Section 2.01 and deliver the Bonds to the Original Purchaser.

The Authorized Officers of the School District are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of the Act, the Resolution and this Agreement, to cause the defeasance and refunding of the Prior Bonds, to authorize the payment of Costs of Issuance by the Fiscal Agent from the proceeds of the Bonds, and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bonds to the Original Purchaser.

Section 3.02. Pledge of Special Taxes. The Bonds shall be secured by a first pledge (which shall be effected in the manner and to the extent herein provided) of all of the Net Special Taxes and all moneys deposited in the Bond Fund and the Reserve Fund and, until disbursed as provided herein, in the Special Tax Fund.

The Net Special Taxes and all moneys deposited into said funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Section 9.03.

Amounts in the Administrative Expense Fund are not pledged to the repayment of the Bonds. The facilities acquired with the proceeds of the Bonds are not in any way pledged to pay the Debt Service on the Bonds. Any proceeds of condemnation or destruction of any facilities financed with the proceeds of the Bonds are not pledged to pay the Debt Service on the Bonds and are free and clear of any lien or obligation imposed hereunder.

Section 3.03. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not depend upon the completion of the refunding and defeasance of the Prior Bonds.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.01. Deposits of Bond Proceeds.

(A) Bond Proceeds. The net proceeds of the purchase of the Bonds by the Original Purchaser in the amount of \$_____ (calculated as the principal amount of the Bonds of \$_____, less net original issue discount of \$_____, less the Original Purchaser's discount of \$_____) shall be paid to the Fiscal Agent on the Closing Date, who shall immediately apply such proceeds as follows:

(i) \$_____ to the Reserve Fund (being an amount equal to the Reserve Requirement as of the Closing Date).

(ii) \$_____ to the Costs of Issuance Fund.

(iii) \$_____ to the Escrow Agent for deposit into the Escrow Fund.

(B) Transfers and Deposits of Other Amounts. In addition to the foregoing deposits of Bond proceeds, the School District shall cause all amounts held in the funds and accounts established under the Prior Resolution to be transferred and deposited to the Escrow Fund in accordance with and as set forth in the Escrow Agreement.

Section 4.02. Reserved.

Section 4.03. Costs of Issuance Fund.

(A) Establishment of Costs of Issuance Fund. The Costs of Issuance Fund is hereby established, as a separate fund to be held by the Fiscal Agent, designated as the "Mt. Diablo Unified School District Community Facilities District No. 1 Series 2016 Special Tax Refunding Bonds, Costs of Issuance Fund," to the credit of which a deposit shall be made as required by Section 4.01(A).

Moneys in the Costs of Issuance Fund shall be held in trust by the Fiscal Agent and shall be disbursed as provided in subsection (B) of this Section for the payment or reimbursement of Costs of Issuance.

(B) Disbursement. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance, as set forth in a requisition in the form attached hereto as Exhibit B containing respective amounts to be paid to the designated payees, signed by an Authorized Officer and delivered to the Fiscal Agent concurrently with the delivery of the Bonds and from time to time thereafter. The Fiscal Agent shall pay all Costs of Issuance after receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to a requisition requesting payment of Costs of Issuance.

(C) Closing of Fund. The Fiscal Agent shall maintain the Costs of Issuance Fund for a period of 180 days after the Closing Date, or until all funds deposited in the Costs of Issuance Fund have been paid, if earlier, and then shall transfer any moneys remaining therein not

required for payment of Costs of Issuance, including any investment earnings thereon, to the Bond Fund. Upon such transfer, the Costs of Issuance Fund shall be closed.

(D) Investment. Moneys in the Costs of Issuance Fund shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the Costs of Issuance Fund to be used for the purposes of such fund.

Section 4.04. Reserve Fund.

(A) Establishment of Fund. The Reserve Fund is hereby established as a separate fund to be held by the Fiscal Agent, designated as the “Mt. Diablo Unified School District Community Facilities District No. 1 Series 2016 Special Tax Refunding Bonds, Reserve Fund,” to the credit of which a deposit shall be made as required by Section 4.01(A) equal to the Reserve Requirement as of the Closing Date, and deposits shall be made as provided in Section 4.06(B).

Moneys in the Reserve Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners as a reserve for the payment of principal of, and interest on, the Bonds and shall be subject to a lien in favor of the Owners.

(B) Use of Reserve Fund. Except as otherwise provided in this Section, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest on, the Bonds or, in accordance with the provisions of this Section, for the purpose of redeeming Bonds.

(C) Transfer Due to Deficiency in Bond Fund. Whenever transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent shall provide written notice thereof to an Authorized Officer, specifying the amount withdrawn.

(D) Transfer of Excess of Reserve Requirement. Whenever, on the Business Day prior to any Interest Payment Date, or on any other date at the request of an Authorized Officer, the amount in the Reserve Fund exceeds the Reserve Requirement (including interest earnings), the Fiscal Agent shall provide written notice to an Authorized Officer of the amount of the excess and shall transfer an amount equal to the excess from the Reserve Fund to the Bond Fund to be used for the payment of interest on and principal of the Bonds on the next Interest Payment Date in accordance with Section 4.05.

(E) Transfer When Balance Exceeds Outstanding Bonds. Whenever the balance in the Reserve Fund and the Bond Fund equals or exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment, the Fiscal Agent shall upon the written direction of an Authorized Officer transfer the amount in the Reserve Fund to the Bond Fund to be applied on the next succeeding Interest Payment Date to the payment, in accordance with Section 4.05, of all of the Outstanding Bonds. If the amount transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the School District to be used for any lawful purpose of the School District.

Notwithstanding the foregoing, no amounts shall be transferred from the Reserve Fund pursuant to this Section 4.04(E) until after (i) the calculation of any amounts due to the federal government pursuant to Section 5.10 following payment of the Bonds and withdrawal of any such amount from the Reserve Fund for purposes of making such payment to the federal government, and (ii) payment of any fees and expenses due to the Fiscal Agent.

(F) Investment and Transfer to Pay Rebate. Moneys in the Reserve Fund shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained in the Reserve Fund and (to the extent the balance in the Reserve Fund is otherwise equal to or greater than the Reserve Requirement) may at any time be used, at the written direction of an Authorized Officer, for purposes of paying any rebate liability under Section 5.10. Amounts not so used shall be transferred to the Bond Fund.

Section 4.05. Bond Fund.

(A) Establishment of Bond Fund. The Bond Fund is hereby established as a separate fund to be held by the Fiscal Agent, designated as the "Mt. Diablo Unified School District Community Facilities District No. 1 Series 2016 Special Tax Refunding Bonds, Bond Fund," to the credit of which deposits shall be made as required by Section 4.06(B), and any other amounts required to be deposited therein by this Agreement or the Act.

Moneys in the Bond Fund and the account therein shall be held in trust by the Fiscal Agent for the benefit of the Owners, shall be disbursed for the payment of the principal of, and interest on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners.

(B) Bond Fund Disbursements.

On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners the principal, and interest, then due and payable on the Bonds, such payments to be made in the priority listed in the second succeeding paragraph of this Section 4.05(B)(i). Notwithstanding the foregoing, amounts in the Bond Fund as a result of a transfer pursuant to Section 4.04(D) shall be used to pay the principal of and interest on the Bonds prior to the use of any other amounts in the Bond Fund for such purpose.

If amounts in the Bond Fund are insufficient for the purposes set forth in the preceding paragraph, the Fiscal Agent shall withdraw from the Reserve Fund, to the extent of any funds therein, amounts to cover the amount of such Bond Fund insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Bond Fund.

(C) Investment. Moneys in the Bond Fund and the accounts therein shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from the investment of amounts in the Bond Fund and the accounts therein shall be retained in the Bond Fund and each respective account, to be used for purposes of such fund and accounts.

Section 4.06. Special Tax Fund.

(A) Establishment of Special Tax Fund and Community Facilities District Account. The Special Tax Fund is hereby established as a separate fund to be held by the Fiscal Agent, to be designated the "Mt. Diablo Unified School District Community Facilities District No. 1

Series 2016 Special Tax Refunding Bonds, Special Tax Fund,” to the credit of which the School District will cause all Special Taxes received by the School District to be deposited.

Moneys in the Special Tax Fund shall be held in trust by the Fiscal Agent for the benefit of the School District and the Owners, shall be disbursed as provided below and, pending disbursement, shall be subject to a lien in favor of the Owners and the School District.

The Fiscal Agent shall establish an account known as the Community Facilities District Account into which the Fiscal Agent shall make the deposits as set forth in Section 4.06(B).

(B) Disbursements. From time to time as needed to pay the obligations of the School District, but no later than 15 Business Days before each Interest Payment Date, the Fiscal Agent shall withdraw from the Special Tax Fund and transfer the following amounts in the following order of priority:

(i) to the Administrative Expense Fund an amount, up to the Administrative Expense Requirement, that an Authorized Officer directs the Fiscal Agent in writing to deposit in the Administrative Expense Fund for payment of Administrative Expenses;

(ii) to the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund, such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date;

(iii) to the Reserve Fund an amount, taking into account amounts then on deposit in the Reserve Fund, such that the amount in the Reserve Fund is equal to the Reserve Requirement; and

(iv) to the Administrative Expense Fund the amount of Administrative Expenses in excess of the amount previously transferred thereto pursuant to (i) above, as directed in writing by an Authorized Officer.

The amounts the Authorized Officer directs the Fiscal Agent to transfer from time to time to the Administrative Expense Fund shall not exceed, in any Fiscal Year, the amount included in the Special Tax levy for such Fiscal Year for Administrative Expenses.

At any time following the deposit of Special Taxes in an amount sufficient to make payment of all of the foregoing deposits for the current Bond Year, any amounts in excess of such amounts remaining in the Special Tax Fund shall, upon the written direction of an Authorized Officer, be transferred by the Fiscal Agent to the Community Facilities District Account to be used for any lawful purpose under the Act and released upon the written direction of an Authorized Officer.

In the absence of such written direction, all amounts remaining in the Special Tax Fund on the first day of the succeeding Bond Year shall be retained in the Special Tax Fund and applied to the succeeding Bond Year’s Annual Debt Service; provided however, that in no event shall such amounts be invested at a yield in excess of the yield on the Bonds.

(C) Investment. Moneys in the Special Tax Fund shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

Section 4.07. Administrative Expense Fund.

(A) Establishment of Administrative Expense Fund. The Administrative Expense Fund is hereby established as a separate fund to be held by the Fiscal Agent, designated as the "Mt. Diablo Unified School District Community Facilities District No. 1 Series 2016 Special Tax Refunding Bonds, Administrative Expense Fund," to the credit of which deposits shall be made as required by Section 4.06(B).

Moneys in the Administrative Expense Fund shall be held in trust by the Fiscal Agent for the benefit of the School District, and shall be disbursed as provided below.

(B) Disbursement. Amounts in the Administrative Expense Fund shall be withdrawn by the Fiscal Agent and paid to the School District or its order upon receipt by the Fiscal Agent of requisition of an Authorized Officer in the form attached hereto as Exhibit D stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense and the nature of such Administrative Expense.

(C) Investment. Moneys in the Administrative Expense Fund shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the Administrative Expense Fund to be used for the purposes thereof.

ARTICLE V

OTHER COVENANTS OF THE SCHOOL DISTRICT

Section 5.01. Punctual Payment. The School District will punctually pay or cause to be paid the principal of, and interest on, the Bonds when and as due in strict conformity with the terms of this Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and of all Supplemental Agreements and of the Bonds.

Section 5.02. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the School District shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest is extended or funded, whether or not with the consent of the School District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest that have not been so extended or funded.

Section 5.03. Against Encumbrances. The School District shall not encumber, pledge or place any charge or lien upon any of the Net Special Taxes or other amounts or funds pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.04. Books and Records. The School District shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the School District, in which complete and correct entries shall be made of all transactions relating: (i) to the expenditure of amounts disbursed from the Administrative Expense Fund and the Special Tax Fund; and (ii) to the Net Special Taxes. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Fiscal Agent (who shall have no duty to inspect) and the Owners or their representatives duly authorized in writing.

The Fiscal Agent shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions of the Fiscal Agent relating to the expenditure of amounts disbursed from all of the funds held by the Fiscal Agent under this Agreement. Such books of record and accounts shall at all times during business hours be subject to the inspection of the School District and the Owners or their representatives duly authorized in writing upon reasonable notice to the Fiscal Agent.

The Fiscal Agent may establish additional accounts and subaccounts as the Fiscal Agent deems necessary.

Section 5.05. Protection of Security and Rights of Owners. The School District shall preserve and protect the security of the Bonds and the rights of the Owners, and shall warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the School District, the Bonds shall be incontestable by the School District.

Section 5.06. Reserved .

Section 5.07. Collection of Special Taxes. The School District shall comply with all requirements of the Act so as to assure the timely collection of Special Taxes, including without limitation, the enforcement of delinquent Special Taxes.

On or within 5 Business Days of each June 1, the Fiscal Agent shall provide an Authorized Officer with a notice stating the amount then on deposit in the Bond Fund, the Special Tax Fund, and the Reserve Fund, and informing the School District of the amount needed to provide for Annual Debt Service, Administrative Expenses known to the Fiscal Agent, and replenishment (if necessary) of the Reserve Fund so that the balance therein equals the Reserve Requirement. The receipt of or failure to receive such notice by an Authorized Officer shall in no way affect the obligations of the Authorized Officer under the following two paragraphs, and the Fiscal Agent shall not be responsible for any inability or failure to provide such notice. Upon receipt of such notice, the Authorized Officer shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

An Authorized Officer shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 10 that the Bonds are outstanding, or otherwise such that the computation of the levy is complete before the final date on which Auditor will accept the transmission of the Special Tax amounts for the parcels within the Community Facilities District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, an Authorized Officer shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll.

An Authorized Officer shall fix and levy the amount of Special Taxes within the Community Facilities District in an amount at least equal to the amount required for the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses (including amounts necessary to discharge any obligation under Section 5.10) during such year. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installments as the ad valorem taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

Notwithstanding the foregoing, an Authorized Officer may in his discretion cause the collection of any Special Taxes by direct, first class mail billing to the then owner of each parcel so owned in lieu of billing for such Special Taxes in the same manner as ad valorem taxes as aforesaid. Such direct mail billing shall be made not later than November 1 of the Fiscal Year and shall direct the owner of the property affected to pay the Special Taxes directly to the School District in two equal installments, the first of which will be due and delinquent if not paid on December 10 and the second of which may be paid with the first and which, in any event, will be due and delinquent if not paid on April 10 of the Fiscal Year. Any such Special Taxes so

billed shall have the same priority and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

Section 5.08. Covenant to Foreclose. Pursuant to Section 53356.1 of the Act the School District hereby covenants with and for the benefit of the Owners that it shall order, and cause to be commenced as hereinafter provided, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due as provided in the following paragraph.

On or about February 15 and June 15 of each Fiscal Year, an Authorized Officer shall compare the amount of Special Taxes to be collected on the December 10 and April 10 installments of the secured property tax bills to the amount of Special Taxes actually received by the School District in said installments, and proceed as set forth below:

(A) *Individual Delinquencies - Single Parcels.* If the Authorized Officer determines that any single parcel subject to the Special Tax in the Community Facilities District is delinquent in the payment of 4 or more installments of the Special Taxes, then the Authorized Officer shall send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings shall be commenced by the School District within 90 days of a June 15th determination against each such parcel.

(B) *Individual Delinquencies - Single Owner of Multiple Parcels.* If the Authorized Officer determines that any single owner of multiple parcels in the Community Facilities District is delinquent in the payment of Special Taxes in the amount of \$10,000 or more, then the Authorized Officer shall send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the delinquent property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings shall be commenced by the School District within 90 days of a June 15th determination against each parcel owned by such delinquent property owner.

(C) *Aggregate Delinquencies.* If the Authorized Officer determines that the total amount of delinquent Special Tax for the prior Fiscal Year (after both the first and second installments) for the Community Facilities District (including the total of delinquencies under subsection (A) above), exceeds 5% of the total Special Tax due and payable for the prior Fiscal Year, the School District shall notify or cause to be notified all property owners who are then delinquent in the payment of Special Taxes and demand immediate payment of the delinquency within 45 days of a June 15th determination, and shall commence foreclosure proceedings within 90 days of a June 15th determination against each parcel in the Community Facilities District with a Special Tax delinquency.

However, the School District may elect not to go forward on foreclosure proceedings if (i) the School District has received payment of otherwise delinquent Special Taxes from any source, including without limitation payments by the County under its Teeter Plan (California Revenue & Taxation Code Sections 4701 et seq.) or the sale of delinquent Special Tax Receivables, and (ii) the Reserve Fund is fully funded.

Section 5.09. Further Assurances. The School District shall adopt, make, execute and deliver any and all such further resolutions, 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 rights and benefits provided in this Agreement.

Section 5.10. Tax Covenants.

(A) *Generally.* The School District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, interest on the Bonds to become includable in gross income for federal income tax purposes.

(B) *Private Activity Bond Limitation.* The School District shall assure that the proceeds of the Bonds are not used in a manner which would cause the Bonds to become “private activity bonds” within the meaning of section 141(a) of the Tax Code or to meet the private loan financing test of Section 141(c) of the Tax Code.

(C) *Federal Guarantee Prohibition.* The School District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(D) *No Arbitrage.* The School District shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the Bond proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

(E) *Rebate of Excess Investment Earnings.* The School District shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, at the times and in the manner required under the Tax Code. The School District shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, such payments to be made from any source of legally available funds of the School District. The School District shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Bonds, records of the determinations made under this subsection (e).

The Fiscal Agent has no duty to monitor the compliance by the School District with any of the covenants contained in this Section 5.10.

Section 5.11. Continuing Disclosure to Owners. In addition to its obligations under Section 9.06, the School District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Agreement, failure of the School District to comply with the Continuing Disclosure Certificate shall not be considered a default hereunder; however, the Original Purchaser or any holder or beneficial owner of the Bonds may take such actions as may be

necessary and appropriate to compel performance by the School District of its obligations thereunder, including seeking mandate or specific performance by court order.

Section 5.12. Reduction of Special Taxes. The School District shall not conduct or consent to change proceedings under the Act to modify the Special Tax Formula to reduce the maximum Special Taxes that may be levied in the Community Facilities District. It is hereby acknowledged that Owners are purchasing the Bonds in reliance on the foregoing covenant, and that said covenant is necessary to assure the full and timely payment of the Bonds. However, the School District may levy the Special Taxes at a rate below the maximum Special Tax rate set forth in the Special Tax Formula so long as the covenants set forth in Section 5.07 above are met.

Section 5.13. Limits on Special Tax Waivers and Bond Tenders. The School District covenants not to exercise its rights under the Act to waive delinquency and redemption penalties related to the Special Taxes or to declare a Special Tax penalties amnesty program if to do so would materially and adversely affect the interests of Owners of the Bonds and further covenants not to permit the tender of Bonds in payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the School District having insufficient Net Special Taxes to pay the principal of and interest on the Bonds remaining Outstanding following such tender, assuming Special Taxes are levied in the future, as provided hereunder.

Section 5.14. Modifications to the Special Tax Formula. The School District shall not initiate change proceedings under the Act to modify the Special Tax Formula if such modification would adversely affect the security for the Bonds. If an initiative or referendum measure is proposed that purports to modify Special Tax Formula in a manner that would adversely affect the security for the Bonds, the School District shall, to the extent permitted by law, commence and pursue reasonable legal actions to prevent the modification of the Special Tax Formula in a manner that would adversely affect the security for the Bonds.

ARTICLE VI
INVESTMENTS

Section 6.01. Deposit and Investment of Moneys in Funds. Moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to the written direction of an Authorized Officer filed with the Fiscal Agent at least 2 Business Days in advance of the making of such investments. In the absence of any such written direction, the Fiscal Agent shall invest, to the extent reasonably practicable, any such moneys in the Permitted Investment described in paragraph (D) of the definition thereof, and otherwise hold such amounts uninvested.

An Authorized Officer shall make note of any investment of funds hereunder in excess of the yield on the Bonds, so that appropriate actions can be taken to assure compliance with Section 5.10.

Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in this Agreement any moneys are required to be transferred by the School District to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments. Any Permitted Investments that are registrable securities shall be registered in the name of the Fiscal Agent.

The Fiscal Agent and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Fiscal Agent shall not incur any liability for losses arising from any investments made pursuant to this Section. The Fiscal Agent shall not be required to determine the legality of any investments.

The Fiscal Agent is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Fiscal Agent or for any third person or dealing as principal for its own account.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent hereunder, provided that the Fiscal Agent shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent shall sell at Fair Market Value, or present for redemption, any investment security whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited, and the Fiscal Agent shall not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance with this Agreement.

The School District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the School District the right to receive

brokerage confirmations of security transactions as they occur, the School District specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the School District periodic cash transaction statements that shall include detail for all investment transactions made by the Fiscal Agent hereunder.

Section 6.02. Valuation and Disposition of Investments..

(A) Except as otherwise provided in subsection (B) below, the School District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code), will be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Code) at Fair Market Value.

(B) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund will be valued at their present value (within the meaning of section 148 of the Code).

ARTICLE VII

THE FISCAL AGENT

Section 7.01. Appointment of Fiscal Agent. U.S. Bank National Association is hereby appointed Fiscal Agent and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it is a party or any company to which the Fiscal Agent sells or transfers all or substantially all of its corporate trust business, provided such company is eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Upon 30 days' prior written notice, the School District may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having (or if such bank or trust company is a member of a bank holding company system its bank holding company has) 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, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01, 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 Fiscal Agent may at any time resign by giving written notice of its resignation to the School District and the Owners. Upon receiving notice of the resignation, the School District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent is made pursuant to the foregoing provisions of this Section within 45 days after the Fiscal Agent has given to the School District written notice or after a vacancy in the office of the Fiscal Agent has occurred by reason of its inability to act, the Fiscal Agent or any Owner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

If, by reason of the judgment of any court, or responsible agency, the Fiscal Agent is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Fiscal Agent hereunder shall be assumed by and vest in the School District in trust for the benefit of the Owners. The School District covenants for the direct benefit of the Owners that it shall be vested with all of the rights and powers of the Fiscal Agent hereunder, and shall assume all of the responsibilities and perform all of the duties of the Fiscal Agent hereunder, in trust for the benefit of the Owners. In such event, an Authorized Officer may designate a successor Fiscal Agent qualified to act as Fiscal Agent hereunder.

Section 7.02. Liability of Fiscal Agent. The recitals of facts, covenants and agreements contained in this Agreement and in the Bonds shall be taken as statements, covenants and agreements of the School District and the Fiscal Agent assumes no responsibility for the correctness of the same, and makes no representations as to the validity or sufficiency of this Agreement or of the Bonds, and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations assigned to or imposed upon it in this Agreement or in the Bonds. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall examine the same to determine whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document that it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent is not under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith unless it is proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal 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 Fiscal 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 any of the Owners pursuant to this Agreement unless such Owners have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the Owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

The Fiscal 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, provided, however, that, the Fiscal Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the School District elects to give the Fiscal Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Fiscal Agent in its discretion elects to act upon such

instructions, the Fiscal Agent's understanding of such instructions shall be deemed controlling. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The School District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Fiscal Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Fiscal Agent and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Fiscal Agent shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

The Fiscal Agent may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys or agents, shall not be liable for the acts or omissions of such attorneys or agents appointed with due care, and shall be entitled to rely on advice of counsel concerning all matters of trust and its duty hereunder.

The Fiscal Agent shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds.

Section 7.03. No Duty. The permissive right of the Fiscal Agent to do things enumerated in this Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

Section 7.04. Information. The Fiscal Agent shall provide to the School District such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the School District reasonably requests, including but not limited to quarterly statements reporting funds held and transactions by the Fiscal Agent; provided, that the Fiscal Agent shall not be obligated to provide an accounting for any fund or account that (a) has a balance of \$0.00 and (b) has not had any activity since the last reporting date.

Section 7.05. Notice to Fiscal Agent. The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed in good faith by it to be genuine and to have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the School 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.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his or her title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal 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 willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by written certificate of the School District, and such certificate shall be full warranty to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.06. Compensation, Indemnification. The School District shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement and for 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, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. To the extent permitted by applicable law, the School District further agrees to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless from and against any costs, expenses, claims or liabilities whatsoever, including without limitation fees and expenses of its attorneys, that 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 obligation of the School District under this Section will survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THIS AGREEMENT

Section 8.01. Amendments Permitted. This Agreement and the rights and obligations of the School District and of the Owners may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting of the Owners, of at least 60% in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the School District to pay the principal of, and the interest on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the School District of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or (iii) reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the School District and of the Owners may also be modified or amended at any time by a Supplemental Agreement without the consent of any Owners only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the School District in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the School District;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the School District in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the School District and the Fiscal Agent may deem necessary or desirable, so long as the provisions are not inconsistent with this Agreement and do not adversely affect the rights of the Owners;

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from gross federal income taxation of interest on the Bonds; and

(E) to modify, alter or amend the Special Tax Formula in any manner so long as such changes do not reduce the maximum annual Special Taxes that may be levied in each year within the Community Facilities District.

Section 8.02. Owners; Meetings. The School District may at any time call a meeting of the Owners. The School District is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 8.03. Procedure for Amendment with Written Consent of Owners. The School District and the Fiscal Agent may at any time adopt a Supplemental Agreement

amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall not become effective unless the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.04) have filed written consents with the Fiscal Agent and the School District has mailed a notice to Owners as hereinafter provided in this Section. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 9.04. Any such consent shall be binding upon the Owner giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereto unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the School District has mailed the notice as hereinafter provided in this Section).

After the Owners of the required percentage of Bonds have filed their consents to the Supplemental Agreement, the School District shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). The School District shall file proof of the mailing of such notice with the Fiscal Agent. A record, consisting of the papers required by this Section 8.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement will become effective upon the School District's filing the proof of mailing of such notice with the Fiscal Agent, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the School District and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60-day period.

Section 8.04. Disqualified Bonds. Bonds known to the Fiscal Agent to be owned or held for the account of the School District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and the School District shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII.

Section 8.05. Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to this Article VIII, this Agreement shall be deemed to be modified and amended in accordance therewith; the respective rights, duties and obligations under this Agreement of the School District and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments; and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 8.06. Endorsement or Replacement of Bonds Issued after Amendments.

The School District may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the School District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the School District may select and designate for that purpose, a suitable notation shall be made on such Bond. The School District may determine that new Bonds, so modified as in the opinion of the School District is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.07. Amendatory Endorsement of Bonds. The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Agreement Limited to Parties. Nothing in this Agreement, expressed or implied, is intended to give to any person other than the School District, the Fiscal Agent, and the Owners, any right, remedy, or claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements by and on behalf of the School District contained in this Agreement shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 9.02. Successor is Deemed Included In All References to Predecessor. Whenever in this Agreement or any Supplemental Agreement either the School District or the Fiscal Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements by or on behalf of the School District or the Fiscal Agent contained in this Agreement shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Discharge of Agreement. The School District has the option to pay and discharge the indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of, and interest on, such Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, in trust, at or before maturity, money that, together with the amounts then on deposit in the funds and accounts provided for in Section 4.05 is fully sufficient to pay such Bonds Outstanding, including all principal and interest; or

(C) by irrevocably depositing with the Fiscal Agent, in trust, cash and Federal Securities in such amount as the School District determines as confirmed by Bond Counsel or an independent certified public accountant, will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in Section 4.05, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal and interest) at or before their respective maturity dates.

If the School District takes any of the actions specified in (A), (B) or (C) above, then, at the election of the School District, and notwithstanding that any Bonds have not been surrendered for payment, the pledge of the Special Taxes and other funds provided for in this Agreement and all other obligations of the School District under this Agreement with respect to such Outstanding Bonds shall cease and terminate. The School District shall file notice of such election with the Fiscal Agent. Notwithstanding the foregoing, the School District will still be obligated to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon, all amounts owing to the Fiscal Agent pursuant to Section 7.05, and otherwise to assure that no action is taken or failed to be taken if such action or failure adversely affects the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Upon compliance by the School District with the foregoing with respect to all Bonds Outstanding, any funds held by the Fiscal Agent after payment of all fees and expenses of the Fiscal Agent that are not required for the purposes of the preceding paragraph shall be paid over to the School District and any Special Taxes thereafter received by the School District shall not be remitted to the Fiscal Agent but shall be retained by the School District to be used for any purpose permitted under the Act.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument that this Agreement may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by 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 Owner or his 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 registry books.

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

Section 9.05. Waiver of Personal Liability. No member, officer, official, agent or employee of the School District or the Fiscal Agent shall be individually or personally liable for the payment of the principal of, or interest on, the Bonds; but nothing herein contained shall relieve any such member, officer, official, agent or employee from the performance of any official duty provided by law.

Section 9.06. Notices to and Demands on District and Fiscal Agent. Any notice or demand that by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the School District may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the School District with the Fiscal Agent) as follows:

Mt. Diablo Unified School District
1936 Carlotta Drive
Concord, CA 94519
Attention: Superintendent

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the School District to or on the Fiscal Agent may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Fiscal Agent with the School District) as follows (provided that any such notice shall not be effective until actually received by the Fiscal Agent):

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust Services

Section 9.07. State Reporting Requirements. The following requirements shall apply to the Bonds, in addition to those requirements under Section 5.11:

(A) *Annual Reporting.* Not later than October 30 of each calendar year, beginning with the October 30 first succeeding the date of the Bonds, and in each calendar year thereafter until the October 30 following the final maturity of the Bonds, an Authorized Officer shall cause the following information to be supplied to CDIAC and to the Information Service:

(i) the principal amount of the Bonds Outstanding;

(ii) the balance in the Reserve Fund;

(iii) the number of parcels in the Community Facilities District that are delinquent in the payment of Special Taxes, the amount of each delinquency, the length of time delinquent and when foreclosure was commenced for each delinquent parcel;

(iv) the assessed value of all parcels in the Community Facilities District subject to the levy of the Special Taxes as shown in most recent equalized roll.

The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(B) *Other Reporting.* If at any time the Fiscal Agent fails to pay principal and interest due or any portion thereof on any scheduled payment date for the Bonds, or if funds are withdrawn from the Reserve Fund to pay principal and interest on the Bonds, the Fiscal Agent shall notify an Authorized Officer of such failure or withdrawal in writing. An Authorized Officer shall notify CDIAC and the Original Purchaser of such failure or withdrawal within 10 days of such failure or withdrawal.

(C) *Amendment.* The reporting requirements of this Section shall be amended from time to time, without action by the School District or the Fiscal Agent, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act.

(D) *No Liability.* None of the School District and its officers, agents and employees, the Authorized Officers, or the Fiscal Agent shall be liable for any inadvertent error in reporting the information required by this Section.

An Authorized Officer shall provide copies of any of such reports to any Owner upon the written request of a Owner and payment by the requesting Owner of the cost of the School District to produce such information and payment of any postage or other delivery cost to provide the same, as determined by the Authorized Officer. The term "Owner" for purposes of this Section shall include any beneficial owner of the Bonds.

Section 9.08. Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Agreement is for any reason held by a court of competent jurisdiction to be illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this

Agreement. The School 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.

Section 9.09. Unclaimed Moneys. Notwithstanding anything contained in this Agreement to the contrary, and subject to the escheat laws of the State, any moneys held by the Fiscal Agent in trust for the payment and discharge of the principal of, and the interest on, the Bonds that remains unclaimed for 2 years after the date when the payments of such principal and interest have become payable, if such moneys were held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the School District as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto, and the Owners shall look only to the School District for the payment of the principal of, and interest on, such Bonds.

Section 9.10. Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 9.11. Conflict with Act. In the event of a conflict between any provision of this Agreement and any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 9.12. Conclusive Evidence of Regularity. Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 9.13. Payment on Business Day. In any case where the date of the maturity of interest or of principal of the Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal or the action need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date required and no interest with respect to such payment shall accrue for the period from and after such date.

Section 9.14. Liability of District. The School District shall not incur any responsibility in respect of the Bonds or this Agreement other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The School District shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The School District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Fiscal Agent herein or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the School District may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the School District and conforming to the requirements of this Agreement. The School District shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the School District to expend or risk its own general funds or otherwise incur any financial liability in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The School District may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, 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. The School District may consult with counsel 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.

The School District shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the School District 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 willful misconduct on the part of the School District, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent, an Independent Financial Consultant or a Tax Consultant, and such certificate shall be full warrant to the School District for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the School District may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 9.15. Employment of Agents by District. In order to perform its duties and obligations under this Agreement, the School District may employ such persons or entities as it deems necessary or advisable. The School District shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith under this Agreement, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

Section 9.16. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the School District and the Fiscal Agent have caused this Agreement to be executed as of the date first above written.

MT. DIABLO UNIFIED SCHOOL DISTRICT

By: _____
President of the Board of Education of the
Mt. Diablo Unified School District, on behalf
of itself and Mt. Diablo Unified School
District Community Facilities District No. 1

U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent

By: _____
Authorized Officer

EXHIBIT A
FORM OF BOND

No. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
MT. DIABLO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 1
SERIES 2016 SPECIAL TAX REFUNDING BONDS

INTEREST RATE	MATURITY DATE	DATED
_____%	August 1, ____	_____, 2016

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The Mt. Diablo Unified School District (the "School District"), on behalf of itself and the Mt. Diablo Unified School District Community Facilities District No. 1 (the "Community Facilities District") for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected in the Community Facilities District or from amounts in the funds and accounts held under the Agreement (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Bond Date set forth above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on February 1 and August 1, commencing August 1, 2016, at the interest rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the registered owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office (as defined in the Agreement referred to below) of U.S. Bank National Association (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed on each interest payment date to the registered owner hereof as of the close of business on the 15th day of the month preceding the month in which the interest payment date occurs, whether or not such day is a Business Day, (the "Record Date") at such registered owner's address as it appears on the registration books maintained by the Fiscal Agent, or (i) if the Bonds are in book-entry-only form, or (ii) otherwise upon written request filed with the Fiscal Agent prior to any Record Date by a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to the depository for the Bonds or to an account in the United States designated by such registered owner in such written request, respectively.

The issuance of this Bond was approved by the qualified electors of the Community Facilities District pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311, et seq., of the California Government Code (the "Mello-Roos Act") for the purpose of defeasing and refinancing certain outstanding special tax bonds previously issued by the School District on behalf of the Community Facilities District (the "Prior Bonds"), and is one of the Bonds designated "Mt. Diablo Unified School District Community Facilities District No. 1 Series 2016 Special Tax Refunding Bonds" (the "Bonds") in the aggregate principal amount of

\$ _____. The creation of the Bonds and the terms and conditions thereof are provided for by resolution adopted by the Board of Education of the School District, acting as legislative body of the Community Facilities District, on _____, 2016 (the "Resolution"), and the Fiscal Agent Agreement dated as of _____ 1, 2016, between the School District and the Fiscal Agent (the "Agreement") and this reference incorporates the Resolution and the Agreement herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. The Resolution is adopted and the Agreement is entered into under, and this Bond is issued under, and all are to be construed in accordance with, the laws of the State of California. All capitalized terms used herein, unless defined herein, shall have the meaning given such terms in the Agreement.

Pursuant to the Mello-Roos Act, the Agreement and the Resolution, the principal of and interest on this Bond are payable solely from the annual special tax authorized under the Mello-Roos Act to be collected within the Community Facilities District (the "Special Tax") and certain funds held under the Agreement.

Interest shall be calculated on the basis of a 360 day year composed of twelve 30 day months. Interest on this Bond shall be payable from the interest payment date next preceding the date of authentication hereof, unless (i) it is authorized on an interest payment date, in which event it shall bear interest for such interest payment date, or (ii) such date of authentication is after a Record Date but on or prior to an interest payment date, in which event interest will be payable from such interest payment date, or (iii) such date of authentication is prior to the first Record Date, in which event interest will be payable from the Dated Date set forth above; provided however, that if at the time of authentication of this Bond, interest is in default hereon, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment hereon.

Payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the School District, as may be permitted by law. The Bonds do not constitute obligations of the School District for which the School District is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described hereinabove.

The Bonds are not subject to redemption before maturity.

This Bond shall be registered in the name of the owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon shall be payable only to the registered owner or to such owners order. The Fiscal Agent shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made between a Record Date and the succeeding Interest Payment Date. Exchanges may only be made for Bonds in authorized denominations as provided in the Agreement.

The Agreement contains provisions permitting the School District to make provision for the payment of the interest on, and the principal of, any of the Bonds so that the Bonds shall no longer be deemed to be outstanding under the terms of the Agreement.

The Agreement and the rights and obligations of the School District thereunder may be modified or amended as set forth therein.

The Bonds are not general obligations of the School District, but are limited obligations payable solely from the revenues and funds pledged therefor under the Agreement. Neither the faith and credit of the School District or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication hereon endorsed have been dated and signed by the Fiscal Agent.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE FISCAL AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the Mt. Diablo Unified School District, on behalf of the Mt. Diablo Unified School District Community Facilities District No. 1, has caused this Bond to be signed on behalf of the School District by the President of the Board of Education of the School District by his or her manual or facsimile signature and countersigned by the manual or facsimile signature of the Secretary of the Board of Education of the School District.

MT. DIABLO UNIFIED SCHOOL DISTRICT

By: _____
President of the Board of Education of the Mt. Diablo Unified School District, on behalf of itself and Mt. Diablo Unified School District Community Facilities District No. 1

ATTEST:

By: _____

Secretary of the Board of Education of the Mt. Diablo Unified School District

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Resolution and in the Agreement which has been authenticated on _____.

U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or Social Security Number of Assignee) the within-registered Bond and hereby Irrevocably constitutes and appoints(s)

attorney, to transfer the same on the registration books of the Fiscal Agent with full power of substitution in the premises.

Dated:

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.	Note: The signatures 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
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EXHIBIT B

**\$ _____
Mt. Diablo Unified School District
Community Facilities District No. 1
Series 2016 Special Tax Refunding Bonds**

COSTS OF ISSUANCE

PAYMENT REQUEST NO. _____

The Fiscal Agent is hereby requested to pay from the Costs of Issuance Fund established by the Fiscal Agent Agreement dated as of _____ 1, 2016, by and between the Fiscal Agent and the Mt. Diablo Unified School District, on behalf of itself and Mt. Diablo Unified School District Community Facilities District No. 1,, to the person or corporation designated below as Payee, the sum set forth below such designations, in payment of a portion of the Costs of Issuance described below. The amount shown below is due and payable under a purchase order or contract with respect to the Costs of Issuance described below, and has not formed the basis of any prior request for payment.

Payee:

Amount:

Description of Cost of Issuance:

Payee:

Amount:

Description of Cost of Issuance:

DATED: _____, 2016

Mt. Diablo Unified School District,
on behalf of itself and
Mt. Diablo Unified School District
Community Facilities District No. 1

By _____
Authorized Officer

EXHIBIT C

**\$ _____
Mt. Diablo Unified School District
Community Facilities District No. 1
Series 2016 Special Tax Refunding Bonds**

ADMINISTRATIVE EXPENSE

PAYMENT REQUEST NO. ____

The Fiscal Agent is hereby requested to pay from the Administrative Expense Fund established by the Fiscal Agent Agreement dated as of _____ 1, 2016, by and between the Fiscal Agent and the Mt. Diablo Unified School District, on behalf of itself and Mt. Diablo Unified School District Community Facilities District No. 1, to the person or corporation designated below as Payee, the sum set forth below such designations, in payment of a portion of the Administrative Expenses described below. The amount shown below is due and payable under a purchase order or contract with respect to the Administrative Expenses described below, and has not formed the basis of any prior request for payment.

Payee:

Amount:

Description of Administrative Expense:

Payee:

Amount:

Description of Administrative Expense:

DATED: _____, 2016

Mt. Diablo Unified School District,
on behalf of itself and
Mt. Diablo Unified School District
Community Facilities District No. 1

By _____
Authorized Officer