SCHOOL BOND GUARANTY REPAYMENT AGREEMENT

This School Bond Guaranty Repayment Agreement ("Agreement") is entered into by and between the State of Oregon, acting by and through its Office of the State Treasurer and its Department of Education (the "State") and [insert School District] ("District") with respect to the repayment of amounts paid by the State to the District's paying agent pursuant to the State's guaranty provided under ORS 328.321 to 328.356 (the "Act").

RECITALS

WHEREAS, the District issued its [insert general obligation bonds description] on [insert date of bonds] (the "Bonds") under a Certificate of Qualification from the State indicating that the State would guaranty payment of the District's debt service on the Bonds consistent with the Act and OAR 170-063-0000; and

WHEREAS, on [insert date] the District did not transfer the scheduled principal and interest in the amount of $[insert payment amount] due on the Bonds ("Debt Service Payment") to its paying agent; and

WHEREAS, pursuant to the Act the State Treasurer transferred the amount of the Debt Service Payment, to the District's paying agent on [insert date] (the "Payment Date"); and

WHEREAS, the State is entitled to repayment from the District of the Debt Service Payment transferred by the State Treasurer to the District's paying agent plus interest, penalties and any additional costs incurred by the State that are payable by District under the Act;

WHEREAS, at its meeting on [insert date] the District, acting by and through its governing board, approved the form of this Agreement for execution and implementation if, in the future, the District fails to transfer a Debt Service Payment as contemplated in the Act and this Agreement;

NOW THEREFORE, the State and the District agree that the District will repay the State as described below.

AGREEMENT

1. **Repayment Amount.** District agrees to pay to the State the amount of the Debt Service Payment(s) (the "Advance"), which shall accrue interest at the rate of [insert percent] which represents the costs of funds to the State (the "Interest") plus [insert amount] that represents penalties and costs to the State authorized under ORS 328.346 (the "State's Costs") on or before [insert date] (the "Final Due Date"). Interest on the outstanding Advance shall be computed on the basis of a 360 day year, consisting or twelve (12) thirty-day (30 day) months.

2. Repayment. District shall repay the Advance, the Interest and the State's Costs as provided in this Agreement. The amounts payable by the District under this Agreement are payable from the District's general fund including the general revenues of the District, other funds which may be available for such purpose (including the District's unlimited taxing authority for debt service

on the Bonds), from other collateral as may be identified in this Agreement and the District's taxing power within the restrictions of the Constitution of the State of Oregon. The obligation of the District to make payments hereunder is an unconditional full faith and credit obligation of the District and is not subject to annual appropriation. Any payments by the District under this Agreement shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, regardless of any contingency, act of God, event or cause whatsoever, including without limitation any rights of set off, recoupment, abatement or counterclaim that District might otherwise have against the State. The District shall repay the Advance, the Interest and the State Costs as follows: [select one or more options]

(a)[Use for direct payments from District:

Beginning [insert date] and continuing each [insert] thereafter until the Final Due Date, District shall pay to the State the amount of [shown on the attached schedule, a monthly set amount intended to amortize and repay the full Advance by a certain time] (the "District Payment"). District shall send District Payments to the Office of the State Treasurer, [insert address] to the attention of [insert title, division etc.] [Or through wire transfer or transfer by OST from LGIP account].

(b) [Use for payment through intercept:

District authorizes the Department of Education to transfer to the Office of the Treasurer (the "Treasurer") [the amount of _____ on or each_____](the "District Payment") for the purpose repaying the Advance, Interest and the State's Costs from any State funding for school districts that has been appropriated by the Oregon Legislative Assembly, allotted by the State, received and credited as revenue by the State and is available for disbursement to school districts (the "State Education Revenues"). District covenants not to enter into any future agreement whereby State Education Revenues would be diverted in time or priority before a diversion for repayment of the Advance. The District acknowledges that the State is entitled to withhold any State Education Revenues due to the District from the State and to apply any such amounts to payments due under this Agreement.

The Department of Education ("Department") agrees to transfer the District Payment from the State Education Revenues to the Office of the State Treasurer as provided in this Agreement. The Department will pay the District Payments prior to transferring any other State Education Revenues to the District or pursuant to any other intercept agreement involving State Education Revenues payable to the District, including but not limited to [identify any outstanding intercept agreements]. If State Education Revenues are not sufficient to pay the entire District Payment in full, the Department shall transfer the greatest amount of State Education Revenues available to the Treasurer. In that event, the Treasurer shall invoice the District for the amount of any deficiency in the District Payment. If the deficiency is not paid by the District as set forth in the invoice, the Department will add the amount of any remaining deficiency to the next transfer of State Education Revenues under this Agreement. The Treasurer may continue to invoice the District for any deficiencies until the Advance, Interest and State's Costs are paid in full. The

District acknowledges that the State is entitled to withhold any State Education Revenues due to the District from the State and to apply any such amounts to payments due under this Agreement.

(c) [Use for payment through tax levy:
District agrees to budget a debt service payment for the following fiscal year in an amount sufficient to repay the Advance in full, or at the Treasurer's discretion, in an amount necessary to satisfy a fixed payment schedule and file the appropriate forms with the county assessor requesting the assessor to levy a property tax in the next tax year in the applicable amounts as provided in ORS 328.260 and 294.368. District will provide a copy of its final adopted budget to the Treasurer on or before June 30 of the fiscal year preceding the year for which the budget is adopted. District will provide a copy of the forms it filed with the county assessor on or before August 1 of the tax year for which the forms are filed, or such later date as may be allowed by the assessor between August 2 and October 15 of the same year.

(d) [Use for grant of a security interest in any property of District:

Security Agreement. The District hereby grants the State a continuing security interest in all of the following described real [and/or personal] property of the District, whether now or hereafter acquired (collectively herein the "Collateral") to secure its payment obligations under this Agreement. The Collateral shall immediately be subject to the lien of the security interest granted in this Agreement without physical delivery or further act, and the lien shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by ORS 287A.310. The District hereby represents and warrants that the grant of a security interest and lien in the Collateral hereby made by the District complies with, and shall be valid and binding from the date of this Agreement pursuant to, ORS 287A.310. The Collateral is owned by the District, and shall remain, free and clear of liens, encumbrances and leasehold interests, except as set forth in the schedule(s) attached to this Agreement (the "Permitted Liens").

[Describe property here or in an attached Exhibit that may include a form of Trust Deed]

The District will defend the Collateral against the claims and demands of all other persons at any time claiming any interest in the Collateral. The District will not sell, exchange, lease, remove or otherwise dispose of the Collateral, or any part thereof, other than in the normal course of business, or grant any other security interest therein, or suffer or permit any lien, levy or attachment thereon or security interest therein or financing statement to be filed with reference thereto. District will keep the Collateral in good repair and condition. District will not commit or permit waste to the Collateral and will not do any act or thing which would impair or decrease the value of the Collateral. At its own expense, the District will keep the Collateral insured against loss by fire and such other hazards, casualties and contingencies as may be required from time to time by the State.

[Include a revenue pledge – The District hereby pledges its full faith and credit and grants a continuing security interest to payment of the Advance, the Interest and the State's Costs in any and all revenues held or received by the District that are lawfully available for such purpose, including but not limited to amounts received from the State pursuant to [insert discrete source of contract or other non-tax revenue] (the "Pledged Revenues"). The Pledged Revenues so pledged

and hereafter received by the District shall immediately be subject to the lien of such pledge without physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by ORS 287A.310. The District hereby represents and warrants that the pledge of Pledged Revenues hereby made by the Borrower complies with, and shall be valid and binding from the date of this Agreement pursuant to, ORS 287A.310.

3. Authorization/Binding Agreement. The making and performance by the District of this Agreement (a) have been duly authorized by all necessary action of the District, (b) do not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency, and (c) do not and will not result in the breach of, or constitute a default or require any consent under, any other agreement or instrument to which the District is a party or by which the District or any of its properties may be bound or affected. This Agreement has been duly executed and delivered by the District and will constitute the legal, valid, and binding obligation of the District, each enforceable in accordance with its terms.

4. Default. The District shall be in default under this Agreement upon the occurrence of any of the following events while the Advance remains outstanding ("Events of Default"):

(a) Any failure to pay District Payments when due;

(b) Any false or misleading representation is made by or on behalf of the District, in this Agreement or in any document provided by the District to the State related to this Agreement or the Bonds;

(c) Failure to perform any of the obligations set forth in Section 2(c) of this Agreement; and

(d) The District fails to perform any obligation required under this Agreement, other than those referred to in subsections (a), (b) and (c) of this Section, and that failure continues for a period of thirty (30) calendar days after written notice specifying such failure is given to the District by the Treasurer.

5. Remedies. Upon the occurrence of an Event of Default, State may pursue any remedies available under this Agreement, at law or in equity, including payment of the entire outstanding amount of the Advance. Such remedies include, but are not limited to, the foreclosure of any liens granted to the State in real or personal property of the District, declaration of ineligibility for further participation in the Oregon School Bond Guaranty Program or the receipt of State Education Revenues, specific performance or the withholding of any legally available amounts held by the District in the Local Government Investment Pool ("LGIP") and transfer from the District's account in the LGIP to the Treasurer of any amounts owed under this Agreement. No remedy available to the State is intended to be exclusive, and every remedy will be in addition to every other remedy. No delay or omission to exercise any right or remedy will impair or is to be construed as a waiver of such right or remedy. No single or partial exercise of any right power or privilege under this Agreement will preclude any other or further exercise thereof or the

exercise of any other such right, power or privilege. The State is not required to provide any notice in order to exercise any right or remedy.

6. Miscellaneous.

(a) Indemnity. The District will (subject to ORS chapter 180) defend, save, hold harmless and indemnify the State and its officers, agents, employees, and members from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature whatsoever resulting from or arising out of, or relating to the activities of the District or its officers, directors, employees, contractors, or agents under this Agreement. If the State receives from, or on behalf of, the District any amounts in excess of the Advance, Interest and State's Costs owed under this Agreement, the State shall refund the excess amount(s) as soon as practicable after it (i) is notified by the District of such excess amount(s) and (ii) verifies in collaboration with the District the amount to be refunded.

(b) Time is of the Essence. The District agrees that time is of the essence under this Agreement.

(c) Relationship of Parties; Successors and Assigns; No Third Party Beneficiaries. Nothing in this Agreement gives, or is to be construed to give, directly or indirectly; to any third persons any rights and benefits greater than those enjoyed by the general public. This Agreement will be binding upon and inure to the benefit of the State, the District, and their respective successors and permitted assigns. The District may not assign or transfer any of its rights or obligations or any interest in this Agreement without the prior written consent of the State.

(d) Notices. All notices to be given under this Agreement must be in writing and addressed as shown below, or to other addresses that either party may hereafter indicate pursuant to this section. Notices may only be delivered by personal delivery or mailed, postage prepaid. Any such notice is effective five calendar days after mailing, or upon actual delivery if personally delivered.

If to the Treasurer: Director, Debt Management Division
Oregon State Treasury
350 Winter Street NE, Suite 100
Salem, OR 97301

If to the Department: Chief Financial Officer
Department of Education
255 Capitol Street NE
Salem, OR 97310-0203

If to the District: [ ]

(e) Severability. If any term or condition of this Agreement is declared by a court of competent jurisdiction as illegal, invalid or unenforceable, that holding will not invalidate or otherwise affect any other provision.

(f) Amendments, Waivers. This Agreement may not be amended without the mutual written consent of the parties. No waiver or consent is effective unless in writing and executed by the party against whom such waiver or consent is sought to be enforced. Such waiver or consent will be effective only in the specific instance and for the specific purpose given. In the event that rules or laws change in a manner that affects the administration of this Agreement, the State and the District agree to cooperate to implement any amendments to this Agreement that the parties deem necessary and desirable.

(g) Attorneys' Fees and Other Expenses. To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Agreement is entitled to recover its reasonable attorneys' fees and costs at trial and on appeal. Reasonable attorneys' fees cannot exceed the rate charged to the State by its attorneys.

(h) Choice of Law; Designation of Forum; Federal Forum. The laws of the State of Oregon govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement. Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

(i) Integration. This Agreement (including all exhibits, schedules or attachments) constitutes the entire agreement between the parties on the subject matter. There are no unspecified understandings, agreements or representations, oral or written, regarding this Agreement.

(j) Execution in Counterparts. This Agreement may be signed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

(k) Calculation of Days. If the date for making any payment, or performing any act or exercising any right, as provided in this Agreement, is a day on which State offices are not open for business, such payment may be made, act performed, or right exercised on the next succeeding day that State offices are open for business with the same force and effect as if done on the nominal date provided herein, and no interest shall accrue for the period from and after such date.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE DULY EXECUTED AND THIS AGREEMENT SHALL BE EFFECTIVE AS OF THE DATE ALL PARTIES HAVE EXECUTED THIS AGREEMENT AND THIS AGREEMENT HAS BEEN APPROVED AS REQUIRED BY APPLICABLE LAW. DISTRICT, BY THE SIGNATURE BELOW OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT, UNDERSTANDS IT AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

STATE OF OREGON
acting by and through the
Office of the State Treasurer

By: _____
Name: Laura Lockwood-McCall

Title: Director, Debt Management

Date: _____

[DISTRICT]

By: _____
Name:

Title:

Date: _____

STATE OF OREGON
Acting by and through its
Department of Education

By: _____
Name:

Title:

Date: _____