



RIALTO UNIFIED SCHOOL DISTRICT
SCHOOL FACILITIES CORPORATION
SPECIAL MEETING OF THE
BOARD OF DIRECTORS
AGENDA

August 14, 2024

(Immediately following the regular meeting of the Board of Education)

Dr. John R. Kazalunas Education Center
182 E. Walnut Avenue
Rialto, California

Board Members:

Joseph W. Martinez, President
Edgar Montes, Vice President
Evelyn P. Dominguez, LVN, Clerk
Dr. Stephanie E. Lewis, Member
Nancy G. O'Kelley, Member

Acting Superintendent:

Edward D'Souza, Ph.D.

Any individual who requires disability-related accommodations or modifications, including auxiliary aids and services, in order to participate in the Board meeting should contact the Superintendent or designee in writing.

Pages

A. CALL TO ORDER - _____ p.m.

B. PUBLIC COMMENTS

B.1 COMMENTS ON AGENDA ITEMS

At this time, any person wishing to speak on any item on the Closed Session Agenda will be granted three minutes.

B.2 PUBLIC COMMENTS NOT ON THE AGENDA

At this time, any person wishing to speak on any item not on the Agenda will be granted three minutes.

C. ADOPTION OF AGENDA

Moved _____

Seconded _____

Vote by Board Members to adopt the agenda:

Ayes: _____ Noes: _____ Abstain: _____ Absent: _____

D. DISCUSSION/ACTION ITEMS

D.1 ELECTION/APPOINTMENT OF CORPORATION OFFICERS

5

Moved _____

Seconded _____

Elect and appoint the referenced officers of the Corporation:

- President
- Vice-President
- Secretary
- Chief Executive Officer
- Chief Financial Officer

DISCUSSION

Vote by Board Members:

Ayes: _____ Noes: _____ Abstain: _____ Absent: _____

D.2 AUTHORIZE ALL CORPORATION FILINGS AND SUBMISSIONS TO BE COMPLETED

7

Moved _____

Seconded _____

Authorize District staff and Corporation officers to undertake and complete all necessary filings, submissions and reports for the Corporation. All costs of the Corporation’s filings and audit reports are the responsibility of the District at a cost not-to-exceed \$100.00, and to be paid from Fund 40 - Special Reserve for Capital Outlay Fund.

DISCUSSION

Vote by Board Members:

Ayes: _____ Noes: _____ Abstain: _____ Absent: _____

D.3 ADOPT CORPORATION RESOLUTION NO. 24-25-07 AUTHORIZING THE EXECUTION AND DELIVERY OF RIALTO UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION (2024 KITCHEN AND MEETING FACILITIES FINANCING)

8

Moved _____

Seconded _____

Authorize the execution and delivery of a Ground Lease, a Lease Agreement, an Assignment Agreement, and a Trust Agreement with respect to the execution and delivery of Rialto Unified School District Certificates of Participation (2024 Kitchen and Meeting Facilities Financing), evidencing principal in an aggregate amount of not to exceed \$55,000,000, and authorizing the execution of necessary documents and certificates and related actions.

DISCUSSION

Vote by Board Members:

Ayes: _____ Noes: _____ Abstain: _____ Absent: _____

E. ADJOURNMENT

Moved _____

Seconded _____

Vote by Board Members to adjourn:

Ayes: _____ Noes: _____ Abstain: _____ Absent: _____

Time: _____



**Board of Directors Agenda
August 14, 2024**

ELECTION/APPOINTMENT OF CORPORATION OFFICERS

BACKGROUND:

The California Constitution under Article XVI Section 18 and Education Code 15100 do not give the Board of Education or School District the authority to enter in indebtedness or liability. Due to these constitutional and statutory restrictions, school districts often establish separate entities, such as facilities corporations, to issue debt and manage large capital projects. This structure helps them comply with legal requirements while still securing the necessary funding for important infrastructure and development projects. The Rialto Unified School District School Facilities Corporation was created as a California Public Benefit Corporation pursuant to Resolution No. 89-90-54 of the Board of Education of Rialto Unified School District with the authority to assist in the financing of the construction, reconstruction, modernization and equipping of certain capital improvements on behalf of the District. The authority of the Facilities Corporation to issue debt on behalf of the school district has been exercised in support of several financing transactions over the years.

REASONING:

The District is currently in the process of taking various actions to authorize the execution and delivery of its certificates of participation (2024 Kitchen and Meeting Facilities Financing (“Certificates”)). A later action for consideration by the Corporation Board of Directors (“Corporation Board”) will be to adopt a resolution of the Corporation to facilitate that Certificates financing transaction.

Pursuant to the provisions of the Articles of Incorporation and Bylaws adopted by the Corporation, the Corporation is required to have certain officers in place.

It is recommended that the Board of Directors take action to elect/appoint the following officers:

- ▶ President
- ▶ Vice-President
- ▶ Secretary
- ▶ Chief Executive Officer
- ▶ Chief Financial Officer

The President, Vice-President and Secretary may be members of the District’s Board of Education. The Secretary position could also be a member of District staff. The

positions of Chief Executive Officer and Chief Financial Officer are recommended to be staff members of the District and may be the District's Superintendent and the Lead Business Services Agent as the Board may so desire and direct.

RECOMMENDATION:

It is recommended that the Board of Directors take action to elect and appoint the referenced officers of the Corporation.

SUBMITTED/REVIEWED BY: Diane Romo



**Board of Directors Agenda
August 14, 2024**

AUTHORIZE ALL CORPORATION FILINGS AND SUBMISSIONS TO BE COMPLETED

BACKGROUND:

The Rialto Unified School District School Facilities Corporation was incorporated as a California non-profit public benefit corporation to assist the Rialto Unified School District (“District”) in undertaking various financing transactions.

REASONING:

The Corporation is required to undertake certain periodic actions and filings to preserve its status as a non-profit corporation and to comply with its Articles and Bylaws. These actions include, but are not limited to, periodic filings with the California Secretary of State’s office and annual audit reports of the Corporation’s finances.

RECOMMENDATION:

It is recommended that the Corporation Board take action to authorize District staff and Corporation officers to undertake and complete all necessary filings, submissions and reports for the Corporation. All costs of the Corporation’s filings and audit reports are the responsibility of the District at a cost not-to-exceed \$100.00, and to be paid from Fund 40 - Special Reserve for Capital Outlay Fund.

SUBMITTED/REVIEWED BY: Diane Romo



RESOLUTION NO. 24-25-07

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIALTO UNIFIED SCHOOL DISTRICT SCHOOL FACILITIES CORPORATION AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE, A LEASE AGREEMENT, AN ASSIGNMENT AGREEMENT AND A TRUST AGREEMENT WITH RESPECT TO THE EXECUTION AND DELIVERY OF RIALTO UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION (2024 KITCHEN AND MEETING FACILITIES FINANCING), EVIDENCING PRINCIPAL IN AN AGGREGATE AMOUNT OF NOT TO EXCEED \$55,000,000, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the Rialto Unified School District (the “District”) desires to finance the acquisition, construction, installation, improvement and equipping of District central kitchen and meeting facilities (the “Project”);

WHEREAS, in order to finance the Project, the District will lease certain real property owned by the District and the improvements thereto (the “Property”) to the Rialto Unified School District School Facilities Corporation (the “Corporation”) pursuant to a Ground Lease (such Ground Lease, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Ground Lease”);

WHEREAS, the District will sublease the Property back from the Corporation pursuant to a Lease Agreement (such Lease Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Lease Agreement”);

WHEREAS, the District and the Corporation have determined that it would be in the best interests of the District and the Corporation to provide a portion of the funds necessary to finance the Project through the execution and delivery, pursuant to a Trust Agreement, by and among U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), the Corporation and the District, of the Rialto Unified School District Certificates of Participation (2024 Kitchen and Meeting Facilities Financing) (the “Certificates”), evidencing direct, fractional undivided interests in the base rental payments to be made by the District under the Lease Agreement (such Trust Agreement, in the form presented to this meeting, with such changes, insertions and

omissions as are made pursuant to this Resolution, being referred to herein as the “Trust Agreement”);

WHEREAS, in connection with the execution and delivery of the Trust Agreement, the Corporation proposes to assign substantially all of its rights in the Ground Lease and Lease Agreement to the Trustee pursuant to an Assignment Agreement (such Assignment Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Assignment Agreement”);

WHEREAS, there have been prepared and submitted to this meeting forms of:

- (a) the Ground Lease;
- (b) the Lease Agreement;
- (c) the Trust Agreement; and
- (d) the Assignment Agreement; and

WHEREAS, the Board of Directors of the Corporation (the “Board of Directors”) desires to proceed to authorize the execution and delivery of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and delivery of the Certificates;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Rialto Unified School District School Facilities Corporation, as follows:

Section 1. The foregoing recitals are true and correct, and the Board of Directors so finds and determines.

Section 2. The form of the Ground Lease, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved. Each of the President of the Corporation, the Vice President of the Corporation, the Treasurer of the Corporation and the Secretary of the Corporation, and such other officers of the Corporation as the President of the Corporation may designate (the “Authorized Officers”) is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the Corporation, to execute and deliver the Ground Lease in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Ground Lease by such Authorized Officer; provided, however, that the amount of the ground lease payment payable under the Ground Lease shall not exceed \$55,000,000 and the term of the Ground Lease shall not terminate later than December 1, 2039 (provided that such term may be extended as provided therein).

Section 3. The form of the Lease Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the Corporation, to execute and deliver the Lease Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Lease Agreement by such Authorized Officer; provided, however, that the aggregate amount of the principal components of the base rental payments payable under the Lease Agreement shall not exceed \$55,000,000, the term of the Lease Agreement shall not terminate later than December 1, 2039 (provided that such term may be extended as provided therein), and the true interest cost applicable to the interest components of the base rental payments evidenced by the Certificates shall not exceed 5.0% per annum.

Section 4. The form of the Assignment Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the Corporation, to execute and deliver the Assignment Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Assignment Agreement by such Authorized Officer.

Section 5. The form of the Trust Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the Corporation, to execute and deliver the Trust Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Trust Agreement by such Authorized Officer.

Section 6. The execution and delivery of the Certificates evidencing principal in an aggregate amount not to exceed \$55,000,000, payable in the years and in the amounts, and evidencing interest as specified in the Trust Agreement as finally executed, and with such additional or other series designations as may be approved by an Authorized Officer, are hereby authorized and approved.

Section 7. The officers of the Corporation are, and each of them is, hereby authorized and directed, for and in the name of the Corporation, to do any and all things and to execute and deliver any and all documents and certificates that they or any of them deem necessary or advisable in order to consummate the transactions contemplated by

this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 8. All actions heretofore taken by the officers and agents of the Corporation with respect to the Certificates, or in connection with or related to any of the agreements or documents referred to herein, are hereby approved, confirmed and ratified.

Section 9. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Rialto Unified School District School Facilities Corporation on August 14, 2024.

President of the Rialto Unified School
District School Facilities Corporation

ATTEST:

Secretary of the Rialto Unified School
District School Facilities Corporation

SECRETARY’S CERTIFICATE

I, _____, Secretary of the Rialto Unified School District School Facilities Corporation, hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted at a meeting of the Board of Directors of said Corporation duly held and conducted on August 14, 2024, of which meeting all of the members of said Board of Directors had due notice and at which a quorum thereof was present and participated (in person or telephonically), and that at said meeting said Resolution was adopted by the following vote:

AYES: BOARD MEMBERS:
NOES: BOARD MEMBERS:
ABSTAIN: BOARD MEMBERS:
ABSENT: BOARD MEMBERS:

An agenda of the meeting was posted at least 72 hours before the meeting at 182 East Walnut Avenue, Rialto, California, a location freely accessible to members of the public, and a brief general description of said Resolution appeared on said agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing Resolution is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2024

Secretary of the Rialto Unified School
District School Facilities Corporation

SUBMITTED/REVIEWED BY: Diane Romo

**TO BE RECORDED AND WHEN
RECORDED RETURN TO:**

Orrick, Herrington & Sutcliffe LLP
355 South Grand Avenue, Suite 2700
Los Angeles, California 90071
Attention: Laura Gao

**THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX
PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE.
THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383
OF THE CALIFORNIA GOVERNMENT CODE.**

GROUND LEASE

by and between

RIALTO UNIFIED SCHOOL DISTRICT

and

**RIALTO UNIFIED SCHOOL DISTRICT
SCHOOL FACILITIES CORPORATION**

Dated as of _____ 1, 2024

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GROUND LEASE

THIS GROUND LEASE (this “Ground Lease”), dated as of _____ 1, 2024, is by and between the RIALTO UNIFIED SCHOOL DISTRICT, a school district organized and existing under the laws of the State of California (the “District”), as lessor, and the RIALTO UNIFIED SCHOOL DISTRICT SCHOOL FACILITIES CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the “Corporation”), as lessee.

WITNESSETH:

WHEREAS, the District desires to finance the acquisition, construction, installation, improvement and equipping of District central kitchen and meeting facilities (the “Project”);

WHEREAS, in order to finance the Project, the District will lease certain real property owned by the District and the improvements thereto (the “Property”) to the Corporation pursuant to this Ground Lease, and the District will sublease the Property back from the Corporation pursuant to a Lease Agreement, dated as of the date hereof (the “Lease Agreement”);

WHEREAS, the Property is more particularly described in Exhibit A hereto;

WHEREAS, a memorandum of the Lease Agreement is being recorded with the San Bernardino County Recorder concurrently with the recordation therewith of this Ground Lease;

WHEREAS, the District and the Corporation have determined that it would be in the best interests of the District and the Corporation to provide a portion of the funds necessary to finance the Project through the sale and delivery, pursuant to the Trust Agreement, dated as of the date hereof (the “Trust Agreement”), by and among U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), the Corporation and the District, of the Rialto Unified School District Certificates of Participation (2024 Kitchen and Meeting Facilities Financing) (the “Certificates”) evidencing direct, fractional undivided interests in the base rental payments to be made by the District under the Lease Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Ground Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Ground Lease;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definitions. Except as otherwise defined herein, or unless the context clearly otherwise requires, words and phrases defined in Article I of the Lease Agreement shall have the same meanings in this Ground Lease.

Section 1.02. Rules of Construction. (a) The terms defined herein expressed in the singular shall, unless the context otherwise indicates, include the plural and vice versa.

(b) The use herein of the masculine, feminine or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine or neuter gender, as appropriate.

(c) References herein to a document shall include all amendments, supplements or other modifications to such document, and any replacements, substitutions or novation of, that document.

(d) Any term defined herein by reference to another document shall continue to have the meaning ascribed thereto whether or not such other document remains in effect.

(e) The use herein of the words “including” and “includes,” and words of similar import, shall be deemed to be followed by the phrase “without limitation.”

(f) Headings of Articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(g) All references herein to designated “Articles,” “Sections,” “Exhibits,” “subsections,” “paragraphs,” “clauses,” and other subdivisions are to the designated Articles, Sections, Exhibits, subsections, paragraphs, clauses, and other subdivisions of this Ground Lease.

(h) The words “hereof” (except when preceded by a specific Section or Article reference), “herein,” “hereby,” “hereunder,” “hereinabove,” “hereinafter,” and other equivalent words and phrases used herein refer to this Ground Lease and not solely to the particular portion hereof in which any such word is used.

(i) Any reference to a Person, or a Person in a specified capacity, shall be construed to include such Person’s successors or such Person’s successors in such capacity, as the case may be.

ARTICLE II

LEASE OF THE PROPERTY; RENTAL

Section 2.01. Lease of Property. The District hereby leases to the Corporation, and the Corporation hereby leases from the District, for the benefit of the Owners of the Certificates, the Property, subject only to Permitted Encumbrances, to have and to hold for the term of this Ground Lease.

Section 2.02. Rental. The Corporation shall pay, or cause to be paid, to the District as and for rental of the Property hereunder, the sum of not to exceed \$[PAR AMOUNT] (the “Ground Lease Payment”). The Ground Lease Payment shall be paid from the proceeds of the Certificates; provided, however, that in the event the available proceeds of the Certificates are not sufficient to enable the Corporation to pay such amount in full, the remaining amount of the Ground Lease Payment shall be reduced to an amount equal to the amount of the remaining available proceeds. The District shall deposit the Ground Lease Payment in one or more separate funds or accounts to be held and administered for the purpose of financing the Project.

The Corporation and the District hereby find and determine that the amount of the Ground Lease Payment does not exceed the fair market value of the leasehold interest in the Property that is conveyed hereunder by the District to the Corporation. No other amounts of rental shall be due and payable by the Corporation for the use and occupancy of the Property under this Ground Lease.

ARTICLE III

QUIET ENJOYMENT

The parties intend that the Property will be leased back to the District pursuant to the Lease Agreement for the term thereof. It is further intended that, to the extent provided herein and in the Lease Agreement, if a Lease Default Event occurs, the Corporation, or its assignee, will have the right, for the then remaining term of this Ground Lease to (a) take possession of the Property, (b) if it deems it appropriate, cause an appraisal of the Property and a study of the then reasonable use thereof to be undertaken, and (c) relet the Property. Subject to any rights the District may have under the Lease Agreement (in the absence of a Lease Default Event) to possession and enjoyment of the Property, the District hereby covenants and agrees that it will not take any action to prevent the Corporation from having quiet and peaceable possession and enjoyment of the Property during the term hereof and will, at the request of the Corporation and at the District's cost, to the extent that it may lawfully do so, join in any legal action in which the Corporation asserts its right to such possession and enjoyment.

ARTICLE IV

SPECIAL COVENANTS AND PROVISIONS

Section 4.01. Waste. At all times that the Corporation is in possession of the Property, the Corporation shall not commit, suffer or permit any waste on the Property and shall not willfully or knowingly use or permit the use of the Property for any illegal purpose or act.

Section 4.02. Further Assurances and Corrective Instruments. The District and the Corporation shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Ground Lease, the Lease Agreement and the Trust Agreement.

Section 4.03. Waiver of Personal Liability. (a) All liabilities under this Ground Lease on the part of the Corporation shall be solely liabilities of the Corporation as a nonprofit public benefit corporation, and the District hereby releases each and every director, officer and employee of the Corporation of and from any personal or individual liability under this Ground Lease. No director, officer or employee of the Corporation shall, at any time or under any circumstances, be individually or personally liable under this Ground Lease to the District or to any other party whomsoever for anything done or omitted to be done by the Corporation hereunder.

(b) All liabilities under this Ground Lease on the part of the District shall be solely liabilities of the District as a school district, and the Corporation hereby releases each and every director, officer and employee of the District of and from any personal or individual liability under this Ground Lease. No director, officer or employee of the District shall at any time or under any circumstances be individually or personally liable under this Ground Lease to the Corporation or to any other party whomsoever for anything done or omitted to be done by the District hereunder.

Section 4.04. Taxes. The District shall pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Property.

Section 4.05. Right of Entry. The District reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time to inspect the same.

Section 4.06. Representations of the District. The District represents to the Corporation, the Insurer and the Trustee as follows:

(a) the District has the full power and authority to enter into, to execute and to deliver this Ground Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Ground Lease;

(b) except for Permitted Encumbrances, the Property is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance that would prohibit or materially interfere with the use of the Property for school purposes as contemplated by the District;

(c) all taxes, assessments or impositions of any kind with respect to the Property, except current taxes, have been paid in full;

(d) the District has good and marketable fee simple to the Property; and

(e) the Property is necessary to the District in order for the District to perform its governmental function relating to public education.

Section 4.07. Representations of the Corporation. The Corporation represents to the District, the Insurer and the Trustee that the Corporation has the full power and authority to enter into, to execute and to deliver this Ground Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution and delivery of this Ground Lease.

ARTICLE V

ASSIGNMENT, SELLING AND SUBLEASING; TITLE TO PROPERTY

Section 5.01. Assignment to Trustee; Third-Party Beneficiaries. (a) The District acknowledges and agrees that, upon the execution and delivery of the Assignment Agreement, which is occurring simultaneously with the execution and delivery hereof, substantially all of the right, title and interest of the Corporation in and to this Ground Lease will be sold, assigned and transferred to the Trustee for the benefit of the Owners of the Certificates. The District consents to such sale, assignment and transfer. Upon the execution and delivery of the Assignment Agreement, references in the operative provisions hereof to the Corporation shall be deemed to be references to the Trustee, as assignee of the Corporation.

(b) The District consents to the Trust Agreement and acknowledges and agrees to the rights of the Trustee and the Insurer as set forth therein.

(c) As a material inducement to the Trustee and the Insurer, the Corporation and the District agree that the Trustee and the Insurer shall be third-party beneficiaries of this Ground Lease.

Section 5.02. Assignment, Selling and Subleasing. This Ground Lease may be assigned or sold, and the Property may be subleased, as a whole or in part, by the Corporation, with the prior written consent of the Insurer, or at the direction of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy), without the necessity of obtaining the consent of the District, if a Lease Default Event occurs. The Corporation shall, within 30 days after such an assignment, sale or sublease, furnish or cause to be furnished to the District a true and correct copy of such assignment, sublease or sale, as the case may be.

Section 5.03. Restrictions on District. Except with respect to Permitted Encumbrances and except as provided in Section 8.04 hereof, the District shall not mortgage, sell, encumber, assign, transfer or convey the Property or any portion thereof during the term of this Ground Lease.

Section 5.04. Title to Property. The District shall hold and maintain good and marketable title to all of the Property during the term of this Ground Lease. If necessary, to maintain good and marketable title to Property, the District shall take all actions necessary, including eminent domain or condemnation proceedings or such other actions as the District deems appropriate, to ensure that title to the Property is good and marketable.

ARTICLE VI

IMPROVEMENTS

Title to all improvements made on the Property during the term hereof shall vest in the District, but shall be subject to the terms of this Ground Lease.

ARTICLE VII

TERM; TERMINATION

Section 7.01. Term. The term of this Ground Lease shall commence as of the date of commencement of the term of the Lease Agreement and shall remain in full force and effect from such date to and including the Scheduled Termination Date, June 1, 20[], unless such term is extended or sooner terminated as hereinafter provided; provided, however, that, so long as no Lease Default Event shall have occurred and be continuing under the Lease Agreement, the term of this Ground Lease with respect to the High School Property shall terminate on the date the Written Certificate of the District required by Section 3.04(c) of the Trust Agreement is filed with the Trustee, unless such term is sooner terminated as hereinafter provided, and, from and after the date of such termination (i) the description of the High School Property set forth in Exhibit A hereto shall be deemed to have been deleted therefrom and the term "Property" shall, for all purposes hereof, be deemed not to include the High School Property, and (ii) all right, title and interest in and to the portion of the High School Property shall vest in the District (in connection with which, the Corporation shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record).

Section 7.02. Extension; Early Termination. If, on the Scheduled Termination Date, the Certificates shall not be fully paid, or provision therefor made in accordance with Article X of the Trust Agreement, or the Trust Agreement shall not be discharged by its terms, or if the Rental Payments payable under the Lease Agreement shall have been abated at any time, then the term of this Ground Lease shall be automatically extended until the date upon which all Certificates shall be fully paid, or provision therefor made in accordance with Article X of the Trust Agreement, and the Trust Agreement shall be discharged by its terms, except that the term of this Ground Lease shall in no event be extended more than ten years beyond the Scheduled Termination Date. If, prior to the Scheduled Termination Date, all Certificates shall be fully paid, or provision therefor made in accordance with Article X of the Trust Agreement, and the Trust Agreement shall be discharged by its terms, the term of this Ground Lease shall end simultaneously therewith.

Section 7.03. Action on Default. In each and every case upon the occurrence and during the continuance of a default by the Corporation hereunder, the District shall have all the rights and remedies permitted by law, except the District, to the extent permitted by law, waives any and all rights to terminate this Ground Lease.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Notices. All written notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the District: Rialto Unified School District
182 East Walnut Avenue
Rialto, California 92376
Attention: Lead Business Services Agent

If to the Corporation: Rialto Unified School District
Facilities Corporation
182 East Walnut Avenue
Rialto, California 92376
Attention: Lead Business Services Agent

If to the Trustee: U.S. Bank Trust Company,
National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust

If to the Insurer: _____

Attention: _____
Re: Policy Nos. _____
Telephone: _____
Telecopier: _____
E-mail: _____

In each case in which notice or other communication refers to an event of default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel of the Insurer and shall be marked to indicate "URGENT MATERIAL ENCLOSED" and shall also be sent to the attention of the General Counsel at the same address and at [_____] or at telecopier number [_____].

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (c) if given by electronic mail, on the date sent, but only if confirmation of the receipt of such electronic mail is received or if notice is concurrently sent by another means specified herein, and (d) if given by any other means, upon delivery at the address specified in this Section.

Section 8.02. Binding Effect. This Ground Lease shall inure to the benefit of and shall be binding upon the District, the Corporation and their respective successors and assigns.

Section 8.03. Partial Invalidity. If any agreement, condition, covenant or term required herein to be observed or performed by or on the part of the District or the Corporation is, to any extent, held to be invalid or unenforceable in any jurisdiction, but the extent of such invalidity or unenforceability does not destroy the basis of the bargain between the parties as contained herein, the remainder of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the District or the Corporation, or the application of such agreements, conditions, covenants or terms to Persons or circumstances other than those as to which such agreement, condition, covenant or term is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability, and each remaining agreement, condition, covenant and term required herein to be observed or performed by or on the part of the District and the Corporation shall be valid and shall be enforced to the fullest extent permitted by law.

Section 8.04. Amendments; Substitution and Release. This Ground Lease may be amended, changed, modified, altered or terminated (subject to the prior written consent of the Insurer) only in accordance with the provisions of the Lease Agreement. The District shall have the right to substitute alternate real property for the Property or to release portions of the Property as provided in the Lease Agreement.

Section 8.05. Governing Law. This Ground Lease shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

Section 8.06. Execution in Counterparts. This Ground Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Ground Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

RIALTO UNIFIED SCHOOL DISTRICT

By: _____

**RIALTO UNIFIED SCHOOL DISTRICT
SCHOOL FACILITIES CORPORATION**

By: _____

[Signature Page to Ground Lease]

EXHIBIT A

DESCRIPTION OF THE PROPERTY

All that real property situated in the County of San Bernardino, State of California, described as follows, together with any improvements thereto:

High School Property*:

[To come]

Central Kitchen Property:

[To come]

[END OF LEGAL DESCRIPTION OF REAL PROPERTY]

The above-described parcels are commonly referred to as [Wilmer Amina Carter High School, located at 2630 N. Linden Avenue, Rialto, California 92377 and the land on which the central kitchen and meeting facilities of the District are to be constructed, located at 625 W. Foothill Blvd., Rialto, CA 92376].

* The Ground Lease provides that, so long as no Lease Default Event shall have occurred and be continuing under the Lease Agreement, the term of this Ground Lease with respect to the High School Property shall terminate on the date the Written Certificate of the District required by Section 3.04(c) of the Trust Agreement is filed with the Trustee, unless such term is sooner terminated as hereinafter provided, and, from and after the date of such termination (i) the description of the High School Property set forth in this Exhibit A shall be deemed to have been deleted herefrom and the term "Property" shall, for all purposes hereof, be deemed not to include the High School Property, and (ii) all right, title and interest in and to the portion of the High School Property shall vest in the District.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Seal]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Seal]

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Ground Lease, dated as of _____ 1, 2024, by and between the Rialto Unified School District, a school district organized and existing under the laws of the State of California (the “District”), and the Rialto Unified School District School Facilities Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the “Corporation”), from the District to the Corporation, is hereby accepted by the undersigned on behalf of the Corporation pursuant to authority conferred by resolution of the Board of Directors of the Corporation adopted on August 14, 2024, and the Corporation consents to recordation thereof by its duly authorized officer.

Dated: _____, 2024

**RIALTO UNIFIED SCHOOL DISTRICT
SCHOOL FACILITIES CORPORATION**

By: _____

LEASE AGREEMENT

by and between

RIALTO UNIFIED SCHOOL DISTRICT

and

**RIALTO UNIFIED SCHOOL DISTRICT
SCHOOL FACILITIES CORPORATION**

Dated as of _____ 1, 2024

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this “Lease Agreement”), dated as of _____ 1, 2024, is by and between the RIALTO UNIFIED SCHOOL DISTRICT, a school district organized and existing under the laws of the State of California (the “District”), as lessee, and the RIALTO UNIFIED SCHOOL DISTRICT SCHOOL FACILITIES CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the “Corporation”), as lessor.

WITNESSETH:

WHEREAS, the District desires to finance the acquisition, construction, installation, improvement and equipping of District central kitchen and meeting facilities (the “Project”);

WHEREAS, in order to finance the Project, the District will lease certain real property owned by the District and the improvements thereto (the “Property”) to the Corporation pursuant to a Ground Lease, dated as of the date hereof (the “Ground Lease”), and the District will sublease the Property back from the Corporation pursuant to this Lease Agreement;

WHEREAS, the Property is more particularly described in Exhibit B hereto;

WHEREAS, the District and the Corporation have determined that it would be in the best interests of the District and the Corporation to provide a portion of the funds necessary to finance the Project through the sale and delivery, pursuant to the Trust Agreement, dated as of the date hereof (the “Trust Agreement”), by and among U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), the Corporation and the District, of the Rialto Unified School District Certificates of Participation (2024 Kitchen and Meeting Facilities Financing) (the “Certificates”) evidencing direct, fractional undivided interests in the base rental payments to be made by the District under this Lease Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Lease Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definitions. Certain terms are defined in Exhibit A attached hereto and by this reference incorporated herein. Unless the context otherwise requires, the terms defined in Exhibit A hereto shall, for all purposes of this Lease Agreement, have the meanings herein specified.

Section 1.02. Rules of Construction. (a) The terms defined herein expressed in the singular shall, unless the context otherwise indicates, include the plural and vice versa.

(b) The use herein of the masculine, feminine or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine or neuter gender, as appropriate.

(c) References herein to a document shall include all amendments, supplements or other modifications to such document, and any replacements, substitutions or novation of, that document.

(d) Any term defined herein by reference to another document shall continue to have the meaning ascribed thereto whether or not such other document remains in effect.

(e) The use herein of the words “including” and “includes,” and words of similar import, shall be deemed to be followed by the phrase “without limitation.”

(f) Headings of Articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(g) All references herein to designated “Articles,” “Sections,” “Exhibits,” “subsections,” “paragraphs,” “clauses,” and other subdivisions are to the designated Articles, Sections, Exhibits, subsections, paragraphs, clauses, and other subdivisions of this Lease Agreement.

(h) The words “hereof” (except when preceded by a specific Section or Article reference), “herein,” “hereby,” “hereunder,” “hereinabove,” “hereinafter,” and other equivalent words and phrases used herein refer to this Lease Agreement and not solely to the particular portion hereof in which any such word is used.

(i) Any reference to a Person, or a Person in a specified capacity, shall be construed to include such Person’s successors or such Person’s successors in such capacity, as the case may be.

ARTICLE II

LEASE OF PROPERTY; TERM

Section 2.01. Lease of Property. (a) The Corporation hereby leases to the District and the District hereby leases from the Corporation the Property, on the terms and conditions herein set forth, and subject to all Permitted Encumbrances.

(b) The leasing of the Property by the District to the Corporation pursuant to the Ground Lease shall not effect or result in a merger of the District's leasehold estate in the Property as lessee under this Lease Agreement and its fee estate in the Property as lessor under the Ground Lease, and the Corporation shall continue to have a leasehold estate in the Property pursuant to the Ground Lease throughout the term thereof and hereof. This Lease Agreement shall constitute a sublease with respect to the Property. The leasehold interest in the Property granted by the District to the Corporation pursuant to the Ground Lease is and shall be independent of this Lease Agreement; this Lease Agreement shall not be an assignment or surrender of the leasehold interest in the Property granted to the Corporation under the Ground Lease.

Section 2.02. Term; Occupancy. (a) The District shall take possession of the Property on the Delivery Date.

(b) The term of this Lease Agreement shall commence on the Delivery Date and shall end on the Scheduled Termination Date, unless such term is extended or sooner terminated as hereinafter provided; provided, however, that, so long as no Lease Default Event shall have occurred and be continuing under this Lease Agreement, the term of this Lease Agreement with respect to the High School Property shall terminate on the date the Written Certificate of the District required by Section 3.04(c) of the Trust Agreement is filed with the Trustee, unless such term is sooner terminated as hereinafter provided, and, from and after the date of such termination (i) the description of the High School Property set forth in Exhibit A hereto shall be deemed to have been deleted therefrom and the term "Property" shall, for all purposes hereof, be deemed not to include the High School Property, and (ii) all right, title and interest in and to the High School Property shall vest in the District (in connection with which, the Corporation and the Trustee shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record).

(c) If prior to the Scheduled Termination Date, or prior to the date to which the term of this Lease Agreement has been extended pursuant to this Section, all Certificates shall be fully paid, or provision therefor made in accordance with Article X of the Trust Agreement, the Trust Agreement shall be discharged by its terms and all Rental Payments shall have been paid in full, the term of this Lease Agreement shall end simultaneously therewith.

(d) If all of the Property shall be taken under the power of eminent domain, and the District does not elect to cause alternate real property to be substituted for the Property pursuant to, and in accordance with the provisions of, Section 8.03 hereof, as provided in clause (i) of Section 6.05(d) hereof, but, rather, elects to deliver or cause to be delivered the Net Proceeds of any award made in the eminent domain proceedings for such taking to the Trustee for the application to the prepayment, pursuant to Section 4.01(a) of the Trust Agreement, of all or a

portion of the Outstanding Certificates, as provided in clause (ii) of Section 6.05(d) hereof, then, on the date that possession thereof shall be so taken, the term of this Lease Agreement shall terminate.

(e) If on the Scheduled Termination Date the Certificates shall not be fully paid, or provision therefor made in accordance with Article X of the Trust Agreement, or the Trust Agreement shall not be discharged by its terms, or if the Rental Payments shall remain due and payable or shall have been abated at any time and for any reason, then the term of this Lease Agreement shall be automatically extended until the date upon which all Certificates shall be fully paid, or provision therefor made in accordance with Article X of the Trust Agreement, and the Trust Agreement shall be discharged by its terms and all Rental Payments shall have been paid in full, except that the term of this Lease Agreement shall in no event be extended more than ten years beyond the Scheduled Termination Date.

(f) Upon the termination or expiration of the term of this Lease Agreement, other than as provided in Section 7.01 hereof, and the first date upon which the Certificates are no longer Outstanding, all right, title and interest in and to the Property shall vest in the District. Upon any such termination or expiration, the Corporation shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record.

ARTICLE III

RENTAL PAYMENTS

Section 3.01. Base Rental Payments. (a) Subject to the provisions of Sections 3.06 and 6.05 hereof and the provisions hereof relating to a revision of the Base Rental Payment Schedule pursuant to subsection (b) of this Section, the District shall pay to the Corporation, as Base Rental Payments, the amounts, at the times, specified in the Base Rental Payment Schedule, a portion of which Base Rental Payments shall constitute principal components and a portion of which shall constitute interest components. The interest components of the Base Rental Payments shall be paid by the District as and constitute interest paid on the principal components of the Base Rental Payments. Except to the extent specified in Section 3.06 hereof, Rental Payments, including Base Rental Payments, shall be paid by the District to the Corporation for and in consideration of the right to use and occupy the Property and in consideration of the continued right to the quiet use and enjoyment thereof during each Rental Period for which such Rental Payments are to be paid.

The obligation of the District to make the Base Rental Payments does not constitute a debt of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the District or the State of California is obligated to levy or pledge any form of taxation or for which the District or the State of California has levied or pledged any form of taxation.

(b) If the term of this Lease Agreement shall have been extended pursuant to Section 2.02 hereof, the obligation of the District to pay Rental Payments shall continue to and including the date of termination of the term of this Lease Agreement as so extended. Upon such extension, the principal and interest components of the Base Rental Payments shall be established so that the principal components will in the aggregate be sufficient to pay all extended and unpaid principal components and the interest components will in the aggregate be sufficient to pay all extended and unpaid interest components; provided, however, that the Rental Payments payable in any Rental Period shall not exceed the annual fair rental value of the Property.

Section 3.02. Additional Rental Payments. The District shall also pay, as Additional Rental Payments, such amounts as shall be required for the payment of the following:

(a) all taxes and assessments of any type or nature charged to the Corporation or the District or affecting the Property or the respective interests or estates of the Corporation or the District therein;

(b) all reasonable administrative costs of the Corporation relating to the Property including salaries, wages, fees and expenses, compensation and indemnification of the Trustee payable by the Corporation under the Trust Agreement, fees of auditors, accountants, attorneys or engineers, and all other necessary and reasonable administrative costs of the Corporation or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Trust Agreement or this Lease Agreement or to defend the Corporation and its members, directors, officers, agents and employees;

(c) insurance premiums for all insurance required pursuant to Article VI hereof;

(d) any amounts with respect to this Lease Agreement, the Trust Agreement or the Certificates required to be rebated to the federal government in accordance with Section 148(f) of the Code; and

(e) all other payments not constituting Base Rental Payments required to be paid by the District under the provisions of this Lease Agreement or the Trust Agreement, including any other amounts payable to the Insurer or the Reserve Insurer.

Amounts constituting Additional Rental Payments payable hereunder shall be paid by the District directly to the person or persons to whom such amounts shall be payable. The District shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Trustee to the District stating the amount of Additional Rental Payments then due and payable and the purpose thereof.

Section 3.03. Fair Rental Value. The parties hereto have agreed and determined that the Fair Rental Value of the Property is not less than \$[] as of the Delivery Date, and that, upon termination of the term of this Lease Agreement with respect to the High School Property pursuant to Section 2.02(b) hereof, the Fair Rental Value of the Property on the date of such termination will be not less than said amount. In making such determination of Fair Rental Value, consideration has been given to the uses and purposes that may be served by the Property and the benefits therefrom that will accrue to the District and the general public. Payments of the Rental Payments for the Property during each Rental Period shall constitute the total rental for said Rental Period.

Section 3.04. Payment Provisions. Each installment of Base Rental Payments payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Trustee, as assignee of the Corporation, at the Principal Office of the Trustee, or such other place or entity as the Trustee shall designate. Each Base Rental Payment shall be deposited with the Trustee, as assignee of the Corporation, no later than the Base Rental Deposit Date preceding the Interest Payment Date on which such Base Rental Payment is due. Any Base Rental Payment that shall not be paid by the District when due and payable under the terms of this Lease Agreement shall bear interest from the date when the same is due hereunder until the same shall be paid (a) at the Insurer Rate to the extent that (i) such Base Rental Payment has been paid to the Owners, on behalf of the District, by the Insurer pursuant to the Insurance Policy, or (ii) such Base Rental Payment has been paid to the Owners, on behalf of the District, from moneys on deposit in the Reserve Fund as a result of a payment under the Reserve Policy, or (b) in all other cases, at the rate equal to the highest rate of interest evidenced by any of the Outstanding Certificates. Notwithstanding any dispute between the Corporation and the District, the District shall make all Rental Payments when due without deduction or offset of any kind and shall not withhold any Rental Payments pending the final resolution of such dispute. In the event of a determination that the District was not liable for said Rental Payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent Rental Payments due hereunder or refunded at the time of such determination. Amounts required to be deposited by the District with the Trustee pursuant to this Section on any date shall be reduced to the extent of available amounts on deposit in the Base Rental Payment Fund, the Interest Fund or the Principal Fund.

Section 3.05. Appropriations Covenant. The District covenants to take such action as may be necessary to include all Rental Payments due hereunder as a separate line item in its annual budgets and to make necessary annual appropriations for all such Rental Payments. The covenants on the part of the District herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the District.

Section 3.06. Rental Abatement. (a) Except as otherwise specifically provided in this Section, during any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the District's right to use and occupy any portion of the Property, Rental Payments shall be abated proportionately, and the District waives the benefits of California Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate this Lease Agreement by virtue of any such interference, and this Lease Agreement shall continue in full force and effect. The District and the Corporation shall, in a reasonable manner and in good faith, determine the amount of such abatement; provided, however, that the Rental Payments due for any Rental Period shall not exceed the annual fair rental value of that portion of the Property available for use and occupancy by the District during such Rental Period. The District and the Corporation shall provide the Trustee and the Insurer with a certificate setting forth the amount of abatement and the basis therefor. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation or title defect and, with respect to damage to or destruction of the Property, ending with the substantial completion of the work of repair or replacement of the Property, or the portion thereof so damaged or destroyed; and, to the extent necessary to pay unpaid Rental Payments, the term of this Lease Agreement shall be extended as provided in Section 2.02 hereof, except that the term of this Lease Agreement shall in no event be extended more than ten years beyond the Scheduled Termination Date.

(b) Notwithstanding the foregoing, to the extent that moneys are available for the payment of Rental Payments in any of the funds and accounts established under the Trust Agreement, Rental Payments shall not be abated as provided above but, rather, shall be payable by the District as a special obligation payable solely from said funds and accounts.

Section 3.07. Prepayment. (a) [The District may prepay all or a portion of the Base Rental Payments that are payable on or after June 1, 20__, from any source of available funds, on any date on or after June 1, 20__, at the prepayment prices set forth below expressed as percentages of the principal components of the Base Rental Payments subject to prepayment, by paying (i) all or a portion, as elected by the District, of the principal components of the Base Rental Payments, and (ii) the accrued but unpaid interest component of such Base Rental Payments to be prepaid to the date of such prepayment.

Prepayment Prices	Prepayment Date
[10_]%	June 1, 20__ to May 31, 20__
[10_]%	June 1, 20__ to May 31, 20__
[10_]%	June 1, 20__ to May 31, 20__

100%

June 1, 20__ and thereafter]

(b) [The District may prepay all or a portion of the Base Rental Payments that are payable on or after June 1, 20__, from any source of available funds, on any date on or after June 1, 20__, by paying (i) all or a portion, as elected by the District, of the principal components of the Base Rental Payments, and (ii) the accrued but unpaid interest component of such Base Rental Payments to be prepaid to the date of such prepayment.]

(c) The District may prepay, from any source of available funds, all or any portion of the Base Rental Payments by depositing with the Trustee moneys or securities as provided, and subject to the terms and conditions set forth, in Article X of the Trust Agreement sufficient to make such Base Rental Payments when due or to make such Base Rental Payments through a specified date on which the District has a right to prepay such Base Rental Payments pursuant to subsection (a) of this Section, and to prepay such Base Rental Payments on such prepayment date, at a prepayment price determined in accordance with subsection (a) [or subsection (b)] of this Section[, as applicable].

(d) If less than all of the Base Rental Payments are prepaid pursuant to this Section then, as of the date of such prepayment pursuant to subsection (a) [or subsection (b)] of this Section[, as applicable], or the date of a deposit pursuant to subsection (b) of this Section, the principal and interest components of the Base Rental Payments shall be recalculated in order to take such prepayment into account. If, following a partial prepayment of Base Rental Payments, the Property is damaged, destroyed or taken by eminent domain, or a defect in title to the Property is discovered, the District shall not be entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and the District shall not be entitled to any reimbursement of such Base Rental Payments.

(e) If all of the Base Rental Payments are prepaid pursuant to this Section and if all amounts due to the Insurer and the Reserve Insurer have been paid in full then, as of the date of such prepayment pursuant to subsection (a) of this Section, or deposit pursuant to subsection (b) of this Section, the term of this Lease Agreement shall be terminated.

(f) Prepayments of Base Rental Payments made pursuant to this Section shall be applied to the prepayment of Certificates as provided in [subsection (a) or subsection (b), as applicable, of] Section 4.01 of the Trust Agreement.

(g) Before making any prepayment pursuant to this Section, the District shall give written notice to the Corporation and the Insurer specifying the date on which such prepayment will be made, which date shall be not less than 40 nor more than 60 days from the date such notice is given, unless the Corporation agrees to a different notice period.

ARTICLE IV

REPRESENTATIONS

Section 4.01. Representations of the District. The District represents that, as of the Delivery Date:

(a) the District has the full power and authority to enter into, to execute and to deliver this Lease Agreement and the Trust Agreement, and to perform all of its covenants and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Lease Agreement and the Trust Agreement;

(b) the Property is not located in a 100-year flood plain;

(c) the District has, after due inquiry, no knowledge and has not given or received any written notice indicating that the Property or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates any Applicable Laws;

(d) without limiting the generality of the foregoing, neither the District nor to the best of its knowledge, after due inquiry, any prior or present owner, tenant or subtenant of the Property has, other than as set forth in this subsection or as may have been remediated in accordance with Environmental Regulations (i) used, treated, stored, transported or disposed of any material amount of Hazardous Materials on, from or beneath the Property, (ii) released any material amount of Hazardous Materials on, from or beneath the Property, or (iii) stored any material amount of petroleum products at the Property in underground storage tanks; provided, however, that excluded from the representations and warranties in this paragraph with respect to Hazardous Materials are those Hazardous Materials in such amounts as are ordinarily found in the inventory of, or used in the maintenance of school buildings, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Environmental Regulations;

(e) no portion of the Property located in an area of high potential incidence of radon has an unventilated basement or subsurface portion that is occupied or used for any purpose other than the foundation or support of the improvements to the Property, respectively; and

(f) the District has not received any notice from any insurance company that has issued a policy with respect to the Property or from Applicable Laws relating to insurance standards requiring the performance of any repairs, alterations or other work, which repairs, alterations or other work have not been completed at the Property. The District has not received any notice of default or breach that has not been cured under any covenant, condition, restriction, right-of-way, reciprocal easement, agreement or other easement affecting the Property that is to be performed or complied with by it.

Section 4.02. Representations of the Corporation. The Corporation represents that the Corporation, as of the Delivery Date, has the full power and authority to enter into, to execute and to deliver this Lease Agreement, the Assignment Agreement and the Trust Agreement to perform

all of its covenants and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Lease Agreement, the Assignment Agreement and the Trust Agreement.

ARTICLE V

COVENANTS

Section 5.01. Recordation. The District shall record, or cause to be recorded, with the San Bernardino County Recorder, this Lease Agreement, the Ground Lease and the Assignment Agreement, or memoranda thereof.

Section 5.02. Quiet Enjoyment. The District, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Lease Agreement peaceably and quietly have, hold and enjoy the Property without suit, trouble or hindrance from the Corporation.

Section 5.03. Net-Net-Net Lease. This Lease Agreement shall be deemed and construed to be a “net-net-net lease” and the Rental Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-off whatsoever and notwithstanding any dispute between the District and the Corporation.

Section 5.04. Right of Entry. The Corporation shall have the right to enter upon and to examine and inspect the Property during reasonable business hours, and in emergencies at all times, for any reasonable purpose connected with the Corporation’s rights or obligations under this Lease Agreement, and for all other lawful purposes. The Insurer shall have the right to enter upon and to examine and inspect the Property during reasonable business hours, and in emergencies at all times, for any reasonable purpose connected with the Insurer’s rights or obligations under this Lease Agreement.

Section 5.05. Use of the Property. The District shall not use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Lease Agreement. In addition, the District shall comply in all respects, including with respect to the use, maintenance and operation of the Property, with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Property; provided, however, that the District may contest in good faith the validity or application of any such law or rule in any reasonable manner that does not, in the opinion of the Corporation, adversely affect the estate of the Corporation in and to any of the Property or its interest or rights under this Lease Agreement.

Section 5.06. Maintenance and Utilities. Throughout the term of this Lease Agreement, as part of the consideration for rental of the Property, all improvement, repair and maintenance of the Property shall be the responsibility of the District, and the District shall pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the District or any assignee or sublessee thereof. In exchange for the Rental Payments, the Corporation agrees to provide only the Property.

Section 5.07. Additions to Property. Subject to the provisions of Section 5.10 hereof, the District and any sublessee shall, at its own expense, have the right to make additions, modifications and improvements to the Property. To the extent that the removal of such additions, modifications or improvements would not cause material damage to the Property, such additions, modifications and improvements shall remain the sole property of the District or such sublessee, and neither the Corporation nor the Trustee shall have any interest therein. Such additions, modifications and improvements shall not in any way damage the Property or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value that is at least equal to the value of the Property immediately prior to the making of such additions, modifications and improvements.

Section 5.08. Installation of District's Equipment. The District and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the District or such sublessee, and neither the Corporation nor the Trustee shall have any interest therein. The District or such sublessee may modify or remove such equipment or other personal property at any time, provided that such party shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement shall prevent the District or any sublessee from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

Section 5.09. Taxes. (a) The District shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Corporation or affecting the Property or the respective interests or estates therein; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are required to be paid during the term of this Lease Agreement as and when the same become due.

(b) After giving notice to the Corporation, the Insurer and the Trustee, the District or any sublessee may, at the District's or such sublessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation, the Insurer or the Trustee shall notify the District or such sublessee that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Corporation in the Property will be materially endangered or the Property, or any part thereof, will be subject to loss or forfeiture, in which event the District or such sublessee shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss that may result from nonpayment, in form satisfactory to the Corporation, the Insurer and the Trustee.

Section 5.10. Mechanics' Liens. In the event the District shall at any time during the term of this Lease Agreement cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Property, the District shall

pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the District in, upon or about the Property and that may be secured by a mechanics', materialmen's or other lien against the Property or the Corporation's interest therein, and shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due; provided, however, that if the District desires to contest any such lien, it may do so as long as such contest is in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the District shall forthwith pay and discharge said judgment.

Section 5.11. Other Liens. The District shall keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, and free from any claim or liability that materially impairs the District in conducting its business or utilizing the Property, and the Trustee at its option (after first giving the District ten days' written notice to comply therewith and failure of the District to so comply within such ten-day period) may defend against any and all actions or proceedings, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the District from liability for or on account of any of its agreements and covenants contained herein, or from its obligation hereunder to perform such agreements and covenants. The Trustee shall have no liability with respect to any determination made in good faith to proceed or decline to defend, pay or compromise any such claim or demand.

Section 5.12. Environmental Compliance. (a) Neither the District nor the Corporation shall use or permit the Property or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Property and then only in compliance with all Environmental Regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee or agent, the storage, transportation, disposal or use of Hazardous Materials or the Release or threat of Release of Hazardous Materials on, from or beneath the Property or onto any other property, excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of school districts, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the Corporation or the District shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Trustee, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released on, from or beneath the Property or other property, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) of this Section and only to the extent necessary to maintain the improvements on the Property.

(b) The District and the Corporation shall comply with, and shall cause all tenants, subtenants, licensees, guests, invitees, contractors, employees and agents on the Property to

comply with, all Environmental Regulations, and shall keep the Property free and clear of any liens imposed pursuant thereto; provided, however, that any such liens, if not discharged, may be bonded. The District and the Corporation shall cause each tenant under any lease, and use their best efforts to cause all of such tenant's subtenants, agents, licensees, employees, contractors, guests and invitees and the guests and invitees of all of the foregoing to comply with all Environmental Regulations with respect to the Property; provided, however, that the Corporation and the District shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the Corporation's or the District's obligations contained in subsection (c) of this Section. Upon receipt of any notice from any Person with regard to the Release of Hazardous Materials on, from or beneath the Property, the District or the Corporation, as appropriate, shall give prompt written notice thereof to the District or the Corporation, as appropriate, the Trustee, and the Insurer prior to the expiration of any period in which to respond to such notice under any Environmental Regulation.

(c) Irrespective of whether any representation or warranty contained in Article IV hereof is not true or correct, the Corporation and the District shall, to the extent permitted by law, defend, indemnify and hold harmless the Corporation, the Insurer and the Trustee and any director, member, officer, employee, successor or assignee thereof from and against any claims, demands, penalties, fines, attorneys' fees (including attorneys' fees incurred to enforce the indemnification contained in this Section), consultants' fees, investigation and laboratory fees, liabilities, settlements (five Insurance Business Days' prior notice of which the Corporation, the Insurer or the Trustee, as appropriate, shall have delivered to the District), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Property, (ii) any personal injury, including wrongful death, or property damage, real or personal, arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five Insurance Business Days' prior notice of which the Corporation, the Insurer or the Trustee, as appropriate, shall have delivered to the District), or governmental order relating to Hazardous Materials on, from or beneath the Property, (iv) any violation of Environmental Regulations or subsection (a) or (b) of this Section by the District or the Corporation or any of their agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that either the Corporation or the District is strictly liable under any Environmental Regulation, the District's obligation to the Corporation, the Insurer and the Trustee and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation that results in liability to any indemnitee. The obligations and liabilities under this subsection shall survive the payment of all Certificates and the discharge of the Trust Agreement.

(d) The District shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair and replace such tanks only in accordance with Environmental Regulations.

Section 5.13. Condemnation. So long as the Certificates are Outstanding, the District, to the extent it may lawfully so bind itself, shall not exercise the power of condemnation with respect to the Property. To the extent permitted by law, if for any reason the foregoing covenant is

determined to be unenforceable or if the District shall fail or refuse to abide by such covenant and condemns the Property, for purposes of such condemnation, the value of the District's leasehold estate hereunder in the Property shall be not less than the amount sufficient to pay the Base Rental Payments to the first date on which they may be prepaid pursuant to Section 3.07(a) hereof and to prepay the Base Rental Payments on such date.

Section 5.14. Other Obligations. Except for the Certificates and Permitted Encumbrances, the District shall not, during the term of this Lease Agreement, issue or incur or cause to be executed and delivered, directly or indirectly, any additional certificates of participation, notes, bonds or other indebtedness that are either (a) payable from or secured by lease payments or rentals payable under this Lease Agreement, or (b) secured by, or granted a lien on, the Property.

Section 5.15. Corporation Not Liable; Indemnification. (a) None of the Corporation, the Insurer and the Trustee and all directors, members, officers and employees thereof shall be liable to the District or to any other Person for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Property. To the extent permitted by law, the District shall, at its expense, indemnify and hold the Corporation, the Insurer and the Trustee and all directors, members, officers and employees thereof harmless against and from any and all claims by or on behalf of any Person arising from the acquisition, construction, occupation, use, operation, maintenance, possession, conduct or management of or from any work done in or about the Property or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Property or the occupancy or use thereof, but excepting the negligence or willful misconduct of the Person seeking indemnity. The District, at its expense, shall pay and indemnify and save the Corporation, the Insurer and the Trustee and all directors, members, officers and employees thereof harmless against and from any and all claims arising from (i) any condition of the Property and the adjoining sidewalks and passageways, (ii) any breach or default on the part of the District in the performance of any covenant or agreement to be performed by the District pursuant to this Lease Agreement, (iii) any act or negligence of licensees in connection with their use, occupancy or operation of the Property, or (iv) any accident, injury or damage whatsoever caused to any person, firm or corporation in or about the Property or upon or under the sidewalks and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this Section, but excepting the negligence or willful misconduct of the Person seeking indemnity. In the event that any action or proceeding is brought against the Corporation, the Insurer or the Trustee or any director, member, officer or employee thereof, by reason of any such claim, the District, upon notice from the Corporation, the Insurer or the Trustee or such director, member, officer or employee thereof, shall resist or defend such action or proceeding by counsel reasonably satisfactory to the Corporation, the Insurer or the Trustee or such director, member, officer or employee thereof.

(b) Notwithstanding the fact that it is the intention of the parties that the Corporation, the Insurer and the Trustee and all directors, members, officers and employees thereof shall not incur any pecuniary liability by reason of the terms of this Lease Agreement, or the undertakings required of the Corporation hereunder or any director, member, officer or employee thereof, by reason of the execution and delivery of the Certificates, by reason of the execution or authorization of any document or certification in connection with the Certificates, including the Trust

Agreement, this Lease Agreement or any preliminary or final official statement, by reason of the performance or nonperformance of any act required of any of them by this Lease Agreement or the Trust Agreement or by reason of the performance or nonperformance of any act requested of any of them by the District, the Corporation, the Insurer or the Trustee, including all claims, liabilities, damages, losses or expenses arising in connection with the violation of any statute or regulation pertaining to the foregoing; nevertheless, if the Corporation, the Insurer or the Trustee or any director, member, officer or employee thereof should incur any such pecuniary liability, then in such event the District shall indemnify and hold harmless the Corporation, the Insurer and the Trustee, and all directors, members, officers and employees thereof, against all claims by or on behalf of any Person arising out of the same, or in connection with any action or proceeding brought thereon, but excepting the negligence or willful misconduct of the Person seeking indemnity, and upon notice from the Corporation, the Insurer or the Trustee, the District shall defend the Corporation, the Insurer and the Trustee in any such action or proceeding. This Section shall survive the termination of this Lease Agreement for any claim, proceeding or action arising from any event or omission occurring during the term of this Lease Agreement.

Section 5.16. Further Assurances. The District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Lease Agreement and for the better assuring and confirming unto the Corporation of the rights and benefits provided in this Lease Agreement.

ARTICLE VI

INSURANCE; NET PROCEEDS; EMINENT DOMAIN

Section 6.01. Property Casualty Insurance; Rental Interruption Insurance. (a) The District shall maintain or cause to be maintained, throughout the term of this Lease Agreement, a standard comprehensive general liability insurance policy or policies in protection of the District, the Corporation and their respective members, directors, officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or ownership of the Property. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in a single accident or event, and in a minimum amount of \$500,000 for damage to property (subject to a deductible clause of not to exceed \$100,000) resulting from a single accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the District, and may be maintained in whole or in part in the form of self-insurance by the District, provided that such self-insurance complies with the provisions of Section 6.01 hereof. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid.

(b) The District shall maintain or cause to be maintained, throughout the term of this Lease Agreement, workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the California Labor Code, or any act enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the District in connection with the Property and to cover full liability for compensation under any such act. The District's obligations under this subsection may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of Section 6.01 hereof.

(c) The District shall maintain or cause to be maintained, throughout the term of this Lease Agreement, casualty insurance insuring the Property against fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake and flood) to the full insurable value of the Property, subject to a \$100,000 loss deductible provision, unless some other deductible is acceptable to the Insurer. Full insurable value shall not be less than the principal evidenced by the Outstanding Certificates. The District's obligations under this subsection may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of Section 5.04 hereof. All Net Proceeds received under said policy or policies shall be deposited with the Trustee and applied as provided in Section 5.03 of the Trust Agreement.

(d) The District shall maintain or cause to be maintained, throughout the term of this Lease Agreement, rental interruption insurance to cover the Corporation's loss, total or partial, of Base Rental Payments resulting from the loss, total or partial, of the use of any part of the Property as a result of any of the hazards required to be covered pursuant to subsection (c) of this Section in an amount equal to the lesser of (i) the amount sufficient at all times to pay an amount not less

than the product of two times the maximum amount of Base Rental Payments scheduled to be paid during any Rental Period, or (ii) such lesser amount as may be agreed to by the Insurer. The District's obligations under this subsection may not be satisfied by self-insurance. All Net Proceeds received under said policy or policies shall be deposited with the Trustee and applied as provided in Section 5.01(c) of the Trust Agreement.

(e) The insurance required by this Section shall be provided by carriers rated at least "A" by A.M. Best Company or S&P, unless the Insurer shall approve in writing an insurer with a lower rating.

Section 6.02. Title Insurance. The District shall provide, at its own expense, one or more CLTA or ALTA title insurance policies for the Property, in the aggregate amount of not less than the initial aggregate amount of principal evidenced by the Certificates. Said policy or policies shall insure (a) the fee interest of the District in the Property, (b) the Corporation's ground leasehold estate in the Property under the Ground Lease, and (c) the District's leasehold estate hereunder in the Property, subject only to Permitted Encumbrances; provided, however, that one or more of said estates may be insured through an endorsement to such policy or policies. All Net Proceeds received under said policy or policies shall be deposited with the Trustee and applied as provided in Section 5.04 of the Trust Agreement. So long as any of the Certificates remain Outstanding, each policy of title insurance obtained pursuant hereto or required hereby shall provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Owners.

Section 6.03. Additional Insurance Provision; Form of Policies. (a) The District shall pay or cause to be paid when due the premiums for all insurance policies required by Section 6.01 hereof, and shall promptly furnish or cause to be furnished evidence of such payments to the Trustee. All such policies shall contain a standard lessee clause in favor of the Trustee and the general liability insurance policies shall be endorsed to show the Trustee as an additional insured. All such policies shall provide that the Trustee and the Insurer shall be given 30 days' notice of the expiration thereof, any intended cancellation thereof or any reduction in the coverage provided thereby. The Trustee shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee; provided, however, that the Trustee shall not agree to any adjustment, compromise or settlement without the Insurer's written consent.

(b) The District shall cause to be delivered to the Trustee and the Insurer on or before August 15 of each year, commencing August 15, 2025, a schedule of the insurance policies being maintained in accordance herewith and a Written Certificate of the District stating that such policies are in full force and effect and that the District is in full compliance with the requirements of this Article. The District shall, upon request of the Insurer, deliver to the Insurer certificates or duplicate originals or certified copies of each insurance policy described in such schedule. The Trustee shall be entitled to rely upon said Written Certificate of the District as to the District's compliance with this Article. Neither the Trustee nor the Insurer shall be responsible for the sufficiency of coverage or amounts of such policies. All policies of insurance required by this Lease Agreement shall be in form satisfactory to the Insurer.

Section 6.04. Self-Insurance. Insurance provided through a California joint powers authority of which the District is a member or with which the District contracts for insurance shall

be deemed to be self-insurance for purposes hereof. All statements of self-insurance provided in accordance with this Lease Agreement shall be in form satisfactory to the Insurer. Any self-insurance maintained by the District pursuant to this Article shall comply with the following terms:

- (a) the self-insurance program shall be approved in writing by the Insurer;
- (b) the self-insurance program shall be approved in writing by an Independent Insurance Consultant;
- (c) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim shall be paid, the adequacy of each such fund shall be evaluated on an annual basis by the Independent Insurance Consultant and any deficiencies in any self-insured claims reserve fund shall be remedied in accordance with the recommendation of such Independent Insurance Consultant;
- (d) the self-insured claims reserve fund shall be held in a separate trust fund;
and
- (e) in the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by the Independent Insurance Consultant, shall be maintained.

Section 6.05. Eminent Domain. (a) If all or a portion of the Property shall be taken under the power of eminent domain, the District shall, no later than 60 days prior to the day that possession thereof shall be so taken, notify the Trustee in writing of the District's determination as to whether or not such taking will result in a substantial interference with the District's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.06 hereof.

(b) If a portion, but not all, of the Property is so taken and the District determines that such taking will not result in a substantial interference with the District's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.06 hereof, the Net Proceeds of any award made in the eminent domain proceedings for such taking shall be remitted to the District and used for any lawful purpose thereof.

(c) If a portion, but not all, of the Property is so taken and the District determines that such taking will result in a substantial interference with the District's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.06 hereof, the District shall (i) no later than 45 days prior to the day that possession thereof shall be so taken, cause alternate real property to be substituted the portion of the Property so taken pursuant to, and in accordance with the provisions of, Section 9.03 hereof, or (ii) immediately upon receipt thereof, deliver or cause to be delivered the Net Proceeds of any award made in the eminent domain proceedings for such taking to the Trustee for the application to the prepayment, pursuant to Section 4.01(a) of the Trust Agreement, of a portion of the Outstanding Certificates.

(d) If all of the Property is so taken, the District shall (i) no later than 45 days prior to the day that possession thereof shall be so taken, cause alternate real property to be substituted for the Property pursuant to, and in accordance with the provisions of, Section 9.03 hereof, or (ii)

immediately upon receipt thereof, deliver or cause to be delivered the Net Proceeds of any award made in the eminent domain proceedings for such taking to the Trustee for the application to the prepayment, pursuant to Section 4.01(a) of the Trust Agreement, of all or a portion of the Outstanding Certificates.

ARTICLE VII

LEASE DEFAULT EVENTS AND REMEDIES

Section 7.01. Lease Default Events and Remedies. (a) If (i) the District shall fail to pay any Rental Payment payable hereunder when the same becomes due and payable, time being expressly declared to be of the essence in this Lease Agreement, (ii) the District shall fail to keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by the District, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the District by the Corporation, the Trustee, the Insurer or the Owners of not less than a majority of the aggregate principal evidenced by Certificates then Outstanding; provided, however, that if the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute a Lease Default Event if corrective action is instituted by the District within such 30 day period, the Insurer consents in writing to an extended period of time, and the District shall thereafter diligently and in good faith cure such failure in a reasonable period of time, provided, further, that, unless consented to by the Trustee and the Insurer, such period of time shall not exceed 180 days, (iii) the District shall fail to observe and perform any of the covenants, agreements or conditions on its part in the Trust Agreement contained, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the District by the Corporation, the Trustee, the Insurer or the Owners of not less than a majority of the aggregate principal evidenced by Certificates then Outstanding; provided, however, that if the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute a Lease Default Event if corrective action is instituted by the District within such 30 day period, the Insurer consents in writing to an extended period of time, and the District shall thereafter diligently and in good faith cure such failure in a reasonable period of time, provided, further, that, unless consented to by the Trustee and the Insurer, such period of time shall not exceed 180 days, (iv) except as otherwise provided in Article VIII hereof, the District's interest in this Lease Agreement or any part thereof shall be assigned or transferred, either voluntarily or by operation of law or otherwise, (v) the District shall abandon or vacate the Property, or (vi) the District shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute, such failure or event shall constitute a Lease Default Event.

(b) Upon the occurrence of any Lease Default Event, the Corporation, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(i) terminate this Lease Agreement in the manner hereinafter provided on account of such Lease Default Event, notwithstanding any re-entry or re-letting of the Property as hereinafter provided for in subparagraph (ii) hereof, and to re-enter the Property and remove all persons in possession thereof and all personal property whatsoever situated upon the Property and place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the District. In the event of such termination, the District agrees to surrender immediately possession of the Property, without let or hindrance, and to pay the Corporation all damages recoverable at law that the Corporation may incur by reason of such Lease Default Event, including any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry

upon the Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay Rental Payments or to deliver up possession of the Property given pursuant to law nor any entry or re-entry by the Corporation nor any proceeding in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property nor the appointment of a receiver upon initiative of the Corporation to protect the Corporation's interest under this Lease Agreement shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of such Lease Default Event shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this Lease Agreement. No surrender of the Property or of the remainder of the term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless the Corporation so provided in such written notice; or

(ii) without terminating this Lease Agreement (A) collect each installment of Rental Payments as the same become due and enforce any other terms or provisions hereof to be kept or performed by the District, regardless of whether or not the District has abandoned the Property, or (B) exercise any and all rights of entry and re-entry upon the Property. In the event the Corporation does not elect to terminate this Lease Agreement in the manner provided for in subparagraph (i) hereof, the District (I) shall remain liable and shall keep or perform all covenants and conditions herein contained to be kept or performed by the District, (II) if the Property is not re-let, shall pay the full amount of the Rental Payments to the end of the term of this Lease Agreement, (III) if the Property is re-let, shall pay any deficiency in Rental Payments that results therefrom, and (IV) shall pay said Rental Payments and/or Rental Payment deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of Rental Payments hereunder, notwithstanding the fact that the Corporation may have received in previous years or may receive thereafter in subsequent years Rental Payments in excess of the Rental Payments herein specified, and notwithstanding any entry or re-entry by the Corporation or suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property. Should the Corporation elect to re-enter as herein provided, the District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to re-let the Property, or any part thereof, from time to time, either in the Corporation's name or otherwise, upon such terms and conditions and for such use and period as the Corporation may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Property and to place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the District, and the District hereby indemnifies and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The District agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation to re-let the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-letting shall constitute a surrender or termination of this Lease Agreement

irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such Lease Default Event the right to terminate this Lease Agreement shall vest in the Corporation to be effected in the sole and exclusive manner provided for in subparagraph (i) hereof. The District shall pay the Corporation the cost of any alterations or additions to the Property necessary to place the Property in condition for re-letting immediately upon notice to the District of the completion and installation of such additions or alterations.

The District hereby waives any and all claims for damages caused or which may be caused by the Corporation in re-entering and taking possession of the Property as herein provided and all claims for damages that may result from the destruction of or injury to the Property and all claims for damages to or loss of any property belonging to the District, or any other person, that may be in or upon the Property.

(c) In addition to the other remedies set forth in this Section, upon the occurrence of a Lease Default Event, the Corporation shall be entitled to proceed to protect and enforce the rights vested in the Corporation by this Lease Agreement or by law. The provisions of this Lease Agreement and the duties of the District and of its board, officers or employees shall be enforceable by the Corporation by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Corporation shall have the right to bring the following actions:

(i) *Accounting*. By action or suit in equity to require the District and its board, officers and employees and its assigns to account as the trustee of an express trust.

(ii) *Injunction*. By action or suit in equity to enjoin any acts or things that may be unlawful or in violation of the *rights* of the Corporation.

(iii) *Mandamus*. By mandamus or other suit, action or proceeding at law or in equity to enforce the Corporation's rights against the District (and its board, officers and employees) and to compel the District to perform and carry out its duties and obligations under the law and its covenants and agreements with the District as provided herein.

(d) Each and all of the remedies given to the Corporation hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Corporation to the further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include re-letting by means of the operation by the Corporation of the Property. If any statute or rule of law validly shall limit the remedies given to the Corporation hereunder, the Corporation nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

(e) In the event the Corporation shall prevail in any action brought to enforce any of the terms and provisions of this Lease Agreement, the District shall pay a reasonable amount as and for attorney's fees incurred by the Corporation in attempting to enforce any of the remedies available to the Corporation hereunder.

(f) Notwithstanding anything to the contrary contained in this Lease Agreement, the Corporation shall have no right upon a default by the District hereunder, a Lease Default Event or otherwise to accelerate Rental Payments.

(g) Notwithstanding anything herein to the contrary, the termination of this Lease Agreement by the Corporation on account of a Lease Default Event shall not effect or result in a termination of the lease of the Property by the District to the Corporation pursuant to the Ground Lease.

(h) Notwithstanding anything to the contrary contained in this Lease Agreement, so long as the Insurer is not in default in its payment obligations under the Insurance Policy, no remedy shall be exercised hereunder without the prior written consent of the Insurer and the Insurer shall have the right to direct the exercise of any remedy hereunder.

Section 7.02. Waiver. Failure of the Corporation to take advantage of any default on the part of the District shall not be, or be construed as, a waiver thereof, nor shall any custom or practice that may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Corporation to insist upon performance by the District of any term, covenant or condition hereof, or to exercise any right given the Corporation on account of such default. A waiver of a particular default shall not be deemed to be a waiver of any other default or of the same default subsequently occurring. The acceptance of Rental Payments hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Lease Agreement.

ARTICLE VIII

AMENDMENTS; ASSIGNMENT AND SUBLEASING; SUBSTITUTION OR RELEASE

Section 8.01. Amendments. (a) This Lease Agreement and the Ground Lease, and the rights and obligations of the Corporation and the District hereunder and thereunder, may be amended at any time by an amendment hereto or thereto, which shall become binding upon execution by the District and the Corporation, but only with the written consent of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy) and the Owners of a majority of the aggregate amount of principal evidenced by the Certificates then Outstanding, provided that no such amendment shall (i) extend the payment date of any Base Rental Payment, reduce the interest component or principal component of any Base Rental Payment or change the prepayment terms and provisions, without the prior written consent of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy) and the Owner of each Certificate so affected, or (ii) reduce the percentage of the aggregate amount of principal evidenced by the Certificates, the consent of the Owners of which is required for the execution of any amendment of this Lease Agreement or the Ground Lease without the prior written consent of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy) and the Owners of all the Certificates then Outstanding.

(b) This Lease Agreement and the Ground Lease, and the rights and obligations of the District and the Corporation hereunder and thereunder, may also be amended at any time by an amendment hereto or thereto, which shall become binding upon execution by the District and the Corporation, but without the written consents of any Owners, but only with the prior written consent of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy) and only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the agreements, conditions, covenants and terms required by the Corporation or the District to be observed or performed herein or therein other agreements, conditions, covenants and terms thereafter to be observed or performed by the Corporation or the District, or to surrender any right or power reserved herein or therein to or conferred herein or therein on the Corporation or the District, and which in either case shall not materially adversely affect the interests of the Insurer or the Owners;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or therein or in regard to questions arising hereunder or thereunder that the Corporation or the District may deem desirable or necessary and not inconsistent herewith or therewith, and which in either case shall not materially adversely affect the interests of the Insurer or the Owners;

(iii) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of the interest components of Base Rental Payments;

(iv) to provide for the substitution or release of a portion of the Property in accordance with the provisions of Section 8.03 hereof; or

(v) to make such other changes herein or therein or modifications hereto or thereto as the Corporation or the District may deem desirable or necessary, provided such changes or modifications do not adversely affect the rights or interests of the Insurer or the Owners.

Section 8.02. Assignment and Subleasing. Neither this Lease Agreement nor any interest of the District hereunder shall be sold, mortgaged, pledged, assigned or transferred by the District by voluntary act or by operation of law or otherwise; provided, however, that the Property may be subleased in whole or in part by the District with the prior written consent of the Corporation and the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy) and, provided, further, that, any such sublease shall be subject to all of the following conditions:

(a) this Lease Agreement and the obligation of the District to make all Rental Payments hereunder shall remain the primary obligation of the District;

(b) the District shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Trustee a true and complete copy of such sublease;

(c) no such sublease by the District shall cause the Property to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State of California;

(d) any sublease of the Property by the District shall explicitly provide that such sublease is subject to all rights of the Corporation under this Lease Agreement, including, the right to re-enter and re-let the Property or terminate this Lease Agreement upon a Lease Default Event; and

(e) the District shall furnish the Trustee with an Opinion of Counsel to the effect that such sublease will not, in and of itself, cause the interest evidenced by the Certificates to be included in gross income for federal income tax purposes.

Section 8.03. Substitution or Release of the Property. The District shall have the right, but only with the written consent of the Insurer, to substitute alternate real property for any portion of the Property or to release a portion of the Property from this Lease Agreement pursuant to this Section. All costs and expenses incurred in connection with such substitution or release shall be borne by the District. Notwithstanding any substitution or release pursuant to this Section, there shall be no reduction in or abatement of the Base Rental Payments due from the District hereunder as a result of such substitution or release. Any such substitution or release of any portion of the Property shall be subject to the following specific conditions, which are hereby made conditions precedent to such substitution or release; provided, however, that such conditions shall not apply to a release of the High School Property in connection with the termination of the term of this Lease Agreement with respect to the High School Property pursuant to Section 2.02(b) hereof:

(a) an independent certified real estate appraiser selected by the District shall have found, and shall have delivered a certificate to the District, the Insurer and the Trustee setting forth its findings, that the Property, as constituted after such substitution or release, (i) has an annual fair rental value greater than or equal to 105% of the maximum amount of Base Rental Payments payable by the District in any Rental Period, and (ii) has a useful life equal to or greater than the useful life of the Property, as constituted prior to such substitution or release;

(b) the District shall have obtained or caused to be obtained a CLTA or an ALTA title insurance policy or policies with respect to any substituted property in the amount of the fair market value of such substituted property of the type and with the endorsements described in Section 6.02 hereof; provided, however, that such fair market value shall have been determined by an independent certified real estate appraiser selected by the District, which appraiser shall have delivered a certificate to the District and the Trustee setting forth its findings;

(c) the District shall have certified to the Corporation and the Insurer that the substituted real property is of approximately the same degree of essentiality to the District as the portion of the Property for which it is being substituted;

(d) the District shall have provided the Trustee with an Opinion of Counsel to the effect that such substitution or release will not, in and of itself, cause the interest evidenced by the Certificates to be included in gross income for federal income tax purposes; and

(e) the District, the Corporation and the Trustee shall have executed, and the District shall have caused to be recorded with the San Bernardino County Recorder, any document necessary to reconvey to the District the portion of the Property being substituted or released and to include any substituted real property in the description of the Property contained herein and in the Ground Lease.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Notices. All written notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the District: Rialto Unified School District
182 East Walnut Street
Rialto, California 92376
Attention: Lead Business Services Agent

If to the Corporation: Rialto Unified School District
School Facilities Corporation
182 East Walnut Street
Rialto, California 92376
Attention: Lead Business Services Agent

If to the Trustee: U.S. Bank Trust Company,
National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust

If to the Insurer: _____

Attention: _____
Re: Policy Nos. _____
Telephone: _____
Telecopier: _____
E-mail: _____

In each case in which notice or other communication refers to an event of default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel of the Insurer and shall be marked to indicate "URGENT MATERIAL ENCLOSED" and shall also be sent to the attention of the General Counsel at the same address and at [] or at telecopier number [].

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (c) if given by electronic mail, on the date sent, but only if confirmation of the receipt of such

electronic mail is received or if notice is concurrently sent by another means specified herein, and (d) if given by any other means, upon delivery at the address specified in this Section.

Section 9.02. Assignment to Trustee; Effect. The District understands and agrees that, upon the execution and delivery of the Assignment Agreement, which is occurring simultaneously with the execution and delivery hereof, substantially all of the right, title and interest of the Corporation in and to this Lease Agreement will be sold, assigned and transferred to the Trustee for the benefit of the Owners of the Certificates. The District hereby consents to such sale, assignment and transfer. Upon the execution and delivery of the Assignment Agreement, references in the operative provisions hereof to the Corporation shall be deemed to be references to the Trustee, as assignee of the Corporation.

Section 9.03. Rights of Insurer. As long as the Insurance Policy is in effect and the Insurer is not in default in respect of its payment obligations thereunder, the Insurer shall be deemed to be the sole and exclusive Owner of the Outstanding Certificates for purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies, including approval of or consent to any amendment of this Lease Agreement and the Ground Lease that requires the consent or approval of the Owners of a majority of the aggregate principal evidenced by the Certificates then Outstanding; provided, however, that the Insurer shall not be deemed to be the sole and exclusive Owner of the Outstanding Certificates with respect to any amendment of this Lease Agreement or the Ground Lease that seeks to amend this Lease Agreement or the Ground Lease for purposes set forth in clause (i) or (ii) of subsection (a) of Section 8.01 hereof, and, provided, further, that the Insurer shall not be deemed to be the sole and exclusive Owner of the Outstanding Certificates for such purposes, and shall not have the right to direct or consent to District, Corporation, Trustee or Owner action, during any period if:

- (a) the Insurer shall fail to make any payment under the Insurance Policy when due and such failure shall continue for three Business Days;
- (b) any material provision of the Insurance Policy shall be held to be invalid by a final, non-appealable order of a court of competent jurisdiction, or the validity or enforceability thereof shall be contested in writing by the Insurer; or
- (c) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect of the Insurer under Article 16 of the Insurance Law of the State of New York or any successor provision thereto and such proceeding is not terminated for a period of 90 consecutive days or such court enters an order granting the relief sought in such proceeding.

Section 9.04. Third-Party Beneficiary. The Insurer is a third-party beneficiary of this Lease Agreement.

Section 9.05. Partial Invalidity. If any agreement, condition, covenant or term required herein to be observed or performed by or on the part of the District or the Corporation is, to any extent, held to be invalid or unenforceable in any jurisdiction, but the extent of such invalidity or unenforceability does not destroy the basis of the bargain between the parties as contained herein,

the remainder of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the District or the Corporation, or the application of such agreements, conditions, covenants or terms to Persons or circumstances other than those as to which such agreement, condition, covenant or term is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability, and each remaining agreement, condition, covenant and term required herein to be observed or performed by or on the part of the District and the Corporation shall be valid and shall be enforced to the fullest extent permitted by law.

Section 9.06. Governing Law. This Lease Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

Section 9.07. Electronic Signatures. Each of the parties hereto agrees that the transaction consisting of this Lease Agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Lease Agreement using an electronic signature, it is signing, adopting, and accepting this Lease Agreement and that signing this Lease Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Lease Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Lease Agreement in a usable format.

Section 9.08. Execution in Counterparts. This Lease Agreement may be simultaneously executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

**RIALTO UNIFIED SCHOOL
DISTRICT**

By: _____

**RIALTO UNIFIED SCHOOL
DISTRICT SCHOOL FACILITIES
CORPORATION**

By: _____

[Signature Page to Lease Agreement]

EXHIBIT A

MASTER DEFINITIONS

“Acquisition Costs” means all costs of acquiring, constructing and installing the Project, including:

(a) all costs that the Corporation or the District shall be required to pay to a seller or any other Person under the terms of any contract or contracts for the purchase of any portion of the Project;

(b) all costs that the Corporation or the District shall be required to pay a contractor or any other Person for the acquisition, construction and installation of any portion of the Project;

(c) obligations of the Corporation or the District incurred for services (including obligations payable to the Corporation or the District for actual out-of-pocket expenses of the Corporation or the District) in connection with the acquisition, construction and installation of the Project, including reimbursement to the Corporation or the District for all advances and payments made in connection with the Project prior to or after delivery of the Certificates;

(d) the actual out-of-pocket costs of the Corporation or the District for test borings, surveys, estimates and preliminary investigations therefor, as well as for the performance of all other duties required by or consequent to the proper acquisition, construction and installation of the Project, including administrative expenses under the Lease Agreement and under the Trust Agreement relating to the acquisition, construction and installation of the Project;

(e) Costs of Issuance, to the extent amounts for the payment thereof are not available in the Costs of Issuance Fund; and

(f) any sums required to reimburse the Corporation or the District for advances made by the Corporation or the District for any of the above items or for any other costs incurred and for work done by the Corporation or the District that are properly chargeable to the Project.

“Acquisition Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.04 of the Trust Agreement.

“Additional Rental Payments” means all amounts payable by the District as Additional Rental Payments pursuant to Section 3.02 of the Lease Agreement.

“Applicable Laws” means any applicable law, regulation, code, order, rule, judgment or consent agreement of any governmental, quasi-governmental or other public or quasi-public authority or regulatory body, including those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or

toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Property.

“Asbestos Containing Materials” means material in friable form containing more than 1% of the asbestiform varieties of (a) chrysotile (serpentine), (b) crocidolite (ricbeckite), (c) amosite (cummington-itegrinerite), (d) anthophyllite, (e) tremolite and (f) actinolite.

“Assignment Agreement” means the Assignment Agreement, dated as of _____ 1, 2024, by and between the Corporation and the Trustee, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

“Authorized Corporation Representative” means the President of the Corporation, the Vice President of the Corporation, the Treasurer of the Corporation and the Secretary of the Corporation, and any other person authorized by the Board of Directors of the Corporation to act on behalf of the Corporation under or with respect to the Trust Agreement.

“Authorized Denominations” means \$5,000 or any integral multiple thereof.

“Authorized District Representative” means the Superintendent of the District, the Lead Business Services Agent of the District, and any other Person designated as an Authorized Representative of the District in a Written Certificate of the District filed with the Trustee.

“Base Rental Deposit Date” means the 15th day next preceding each Interest Payment Date.

“Base Rental Payment Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.01 of the Trust Agreement.

“Base Rental Payment Schedule” means the schedule of Base Rental Payments payable to the Corporation from the District pursuant to Section 3.01 of the Lease Agreement and attached as Exhibit C to the Lease Agreement.

“Base Rental Payments” means all amounts payable to the Corporation by the District as Base Rental Payments pursuant to Section 3.01 of the Lease Agreement.

“Beneficial Owners” means those Persons for whom the Participants have caused the Depository to hold Book-Entry Certificates.

“Book-Entry Certificates” means the Certificates registered in the name of the nominee of DTC, or any successor securities depository for the Certificates, as the registered owner thereof pursuant to the terms and provisions of Section 2.08 of the Trust Agreement.

“Business Day” means a day other than (a) Saturday or Sunday, (b) a day on which banking institutions in the city or cities in which the Principal Office of the Trustee is located are authorized or required by law to be closed, or (c) a day on which the New York Stock Exchange is closed.

“**Cede & Co.**” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Certificates.

“**Certificate Purchase Agreement**” means the Certificate Purchase Agreement, dated _____, 2024, by and between the Purchaser and the District relating to the Certificates.

“**Certificate Year**” means each twelve-month period beginning on June 1 in each year and extending to the next succeeding May 31, both dates inclusive, except that the first Certificate Year shall begin on the Delivery Date and end on May 31, 2025.

“**Certificates**” means the Rialto Unified School District Certificates of Participation (2024 Kitchen and Meeting Facilities Financing), executed and delivered by the Trustee pursuant to the Trust Agreement.

“**Code**” means the Internal Revenue Code of 1986.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement, dated as of _____ 1, 2024, by and between the District and the Trustee, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

“**Corporation**” means the Rialto Unified School District School Facilities Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State of California, and its successors.

“**Costs of Issuance**” means all the costs of executing and delivering the Certificates, including all printing and document preparation expenses in connection with the Trust Agreement, the Lease Agreement, the Ground Lease, the Assignment Agreement, the Certificates and the preliminary official statement and final official statement pertaining to the Certificates, rating agency fees, title insurance fees, market study fees, legal fees and expenses of counsel with respect to the execution and delivery of the Certificates, the fees and expenses of the Trustee, including fees and expenses of its counsel, the fees and expenses of any municipal advisor to the District, any premium for municipal bond insurance or a reserve surety, and other fees and expenses incurred in connection with the execution and delivery of the Certificates, to the extent such fees and expenses are approved by the District.

“**Costs of Issuance Fund**” means the fund by that name established and held by the Trustee pursuant to Section 3.03 of the Trust Agreement.

“**Defeasance Securities**” means (a) non-callable direct obligations of the United States of America (“United States Treasury Obligations”), (b) evidences of ownership of proportionate interests in future interest and principal payments on United States Treasury Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Treasury Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated, (c) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively,

or (d) subject to the prior written consent of the Insurer, securities eligible for “AAA” defeasance under then existing criteria of S&P, or any combination thereof.

“**Delivery Date**” means _____, 2024.

“**Depository**” means the securities depository acting as Depository pursuant to Section 2.08 of the Trust Agreement.

“**District**” means the Rialto Unified School District, a school district organized and existing under the laws of the State of California, and its successors.

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

“**Environmental Regulations**” means all laws and regulations, now or hereafter in effect, with respect to Hazardous Materials, including the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, “CERCLA”), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, “RCRA”), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, “Title III”), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, “CWA”), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, “CAA”) and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 et seq.) (together with the regulations promulgated thereunder, “TSCA”), and any state or local similar laws and regulations and any so-called local, state or federal “superfund” or “superlien” law.

“**Event of Default**” means an event specified in Section 7.01 of the Trust Agreement described as constituting an Event of Default.

“**Fair Rental Value**” means, with respect to the Property, the annual fair rental value thereof, as set forth in Section 3.03 of the Lease Agreement.

“**Ground Lease**” means the Ground Lease, dated as of _____ 1, 2024, by and between the District and the Corporation, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof and of the Lease Agreement.

“**Hazardous Materials**” means flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the Corporation, the District, the Property or the business operations conducted by the Corporation or the District thereon.

“High School Property” means the property described under the caption “High School Property” in Exhibit B to the Lease Agreement.

“Independent Insurance Consultant” means a nationally recognized independent actuary, insurance company or broker acceptable to the Insurer that has actuarial personnel experienced in the area of insurance for which the District is to be self-insured, as may from time to time be designated by the District.

“Insolvency Proceeding” has the meaning ascribed to such term in Section 11.01(n) of the Trust Agreement.

“Insurance Business Day” means any day other than (a) a Saturday or Sunday, (b) any day on which the Principal Office of the Trustee or the principal office of the Insurer is closed, and (c) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the City of New York.

“Insurance Policy” means the Municipal Bond Insurance Policy, and any endorsement thereto, issued by the Insurer guaranteeing the scheduled payment of the interest and principal evidenced by the Certificates when due, or any insurance policy substituted for said Municipal Bond Insurance Policy.

“Insurer” means [Insurer], or any successor thereto or assignee thereof.

“Insurer Rate” means [_____].

“Insurer’s Fiscal Agent” means a fiscal agent appointed by the Insurer for purposes of, and in accordance with the terms contained in, the Insurance Policy.

“Interest Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.02 of the Trust Agreement.

“Interest Payment Date” means June 1 and December 1 of each year commencing [December 1, 2024].

“Lease Agreement” means the Lease Agreement, dated as of _____ 1, 2024, by and between the District and the Corporation, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

“Lease Default Event” means any failure or event specified in Section 7.01 of the Lease Agreement described as constituting a Lease Default Event.

“Letter of Representations” means the letter of the District delivered to and accepted by the Depository on or prior to the delivery of the Certificates as Book-Entry Certificates setting forth the basis on which the Depository serves as depository for such Book-Entry Certificates, as originally executed or as it may be amended or supplemented or replaced by a letter to a substitute Depository.

“Mandatory Sinking Account Payment” means the principal evidenced by the Certificates required to be paid on each Mandatory Sinking Account Payment Date pursuant to Section 4.01 of the Trust Agreement.

“Mandatory Sinking Account Payment Date” means (a) for the Certificates with a stated Principal Payment Date of June 1, 20__, June 1, 20__ and each June 1 thereafter continuing through and including June 1, 20__, and (b) for the Certificates with a stated Principal Payment Date of June 1, 20__, June 1, 20__ and each June 1 thereafter continuing through and including June 1, 20__.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns, and, if Moody’s Investors Service, Inc., shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the District.

“Net Proceeds” means any insurance proceeds or condemnation award in excess of \$50,000 paid with respect to any of the Property, remaining after payment therefrom of all reasonable expenses incurred in the collection thereof.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.08 of the Trust Agreement.

“Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the District.

“Outstanding” means, with respect to the Certificates, as of any date, Certificates theretofore or thereupon being executed and delivered under the Trust Agreement, except (a) Certificates canceled by the Trustee or delivered to the Trustee for cancellation on or prior to such date, (b) Certificates in lieu of which other Certificates have been executed and delivered, or that have been paid without surrender thereof pursuant to Section 2.10 of the Trust Agreement, and (c) Certificates paid or deemed to have been paid within the meaning of Section 10.02 of the Trust Agreement.

“Owner” means, with respect to a Certificate, the Person in whose name such Certificate is registered on the Registration Books.

“Participant” means any entity that is recognized as a participant by the Depository in the book-entry system of maintaining records with respect to Book-Entry Certificates.

“Participating Underwriter” has the meaning ascribed to such term in the Continuing Disclosure Agreement.

“Permitted Encumbrances” means, with respect to the Property, as of any particular time, (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or that the District may, pursuant to provisions of Section 5.09 of the Lease Agreement, permit to remain unpaid, (b) the Assignment Agreement, (c) the Lease Agreement, (d) the Ground Lease, (e) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law as normally would exist with respect to properties similar to the

Property for the purposes for which it was acquired or is held by the District, (f) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions that exist of record as of the Delivery Date that the District certifies in writing will not affect the intended use of the Property or impair the security granted to the Trustee for the benefit of the Owners of the Certificates by the Trust Agreement and the Assignment Agreement, and (g) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Delivery Date that the District certifies in writing do not affect the intended use of the Property or impair the security granted to the Trustee for the benefit of the Owners of the Certificates by the Trust Agreement and the Assignment Agreement and to which the Corporation and the Insurer consents in writing.

“Permitted Investments” means the following:

(a) 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), and obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America (“Federal Securities”);

(b) any of the following direct or indirect obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank; (ii) certificates of beneficial ownership issued by the Farmers Home Administration; (iii) participation certificates issued by the General Services Administration; (iv) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal Housing Administration; (v) project notes issued by the United States Department of Housing and Urban Development; and (vi) public housing notes and bonds guaranteed by the United States of America;

(c) interest-bearing demand deposit accounts or time deposits (including certificates of deposit) in a federal or state chartered bank (including the Trustee and its affiliates) or a state licensed branch of a foreign bank or a state or federal association (as defined in Section 5102 of the California Financial Code), provided that (i) the unsecured short-term obligations of such commercial bank or savings and loan association shall be rated A1 or better by S&P, or (ii) such demand deposit accounts or time deposits shall be fully insured by the Federal Deposit Insurance Corporation;

(d) commercial paper rated in the highest short-term rating category by S&P, issued by corporations that are organized and operating within the United States of America, and that matures not more than 180 days following the date of investment therein;

(e) bankers acceptances, consisting of bills of exchange or time drafts drawn on and accepted by a commercial bank whose short-term obligations are rated in the highest short-term rating category by S&P that mature not more than 270 days following the date of investment therein;

(f) obligations the interest on which is excludable from gross income pursuant to Section 103 of the Code and that are rated A or better by S&P;

(g) obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated A or better by S&P;

(h) money market funds that are rated Am or better by S&P, including funds for which the Trustee and its affiliates provide investment advisory or other management services;

(i) an investment agreement or guaranteed investment contract with, or guaranteed by, a financial institution or corporation, the long-term unsecured obligations of which are or, in the case of an insurance company, the long term financial strength of which is, rated “AA-” or better by S&P at the time of initial investment; provided, that the investment agreement shall be subject to a downgrade provision with at least the following requirements:

(1) the agreement shall provide that within ten Business Days after the financial institution’s long-term unsecured credit rating has been withdrawn, suspended, or reduced below “AA-” by S&P (such events referred to as “rating downgrades”) the financial institution shall give notice to the District and the Trustee and, within such ten-day period, and for as long as the rating downgrade is in effect, shall deliver in the name of the Trustee Federal Securities with an aggregate current market value equal to at least 105% of the principal amount of the investment agreement invested with the financial institution at that time, and shall deliver additional Federal Securities as needed to maintain an aggregate current market value equal to at least 105% of the principal amount of the investment agreement within three days after each evaluation date, which shall be at least weekly, and

(2) the agreement shall provide that, if the financial institution’s long-term unsecured credit rating is reduced below “A-” by S&P, the financial institution shall give notice of the downgrade to the District and the Trustee within five Business Days, and the Trustee may, upon five Business Days’ written notice to the financial institution, withdraw all amounts invested pursuant to the investment agreement, with accrued but unpaid interest thereon to the withdrawal date, and terminate the agreement.

(j) repurchase agreements with (i) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated at least “A” by S&P and Moody’s; (ii) any broker-dealer with “retail customers” or a related affiliate thereof, which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by S&P and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (iii) any other entity (or entity whose obligations are guaranteed by an affiliate or parent company) rated at least “A” by S&P and Moody’s, provided that:

(1) the market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

(2) the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(3) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(4) all other requirements of S&P and Moody's in respect of repurchase agreements shall be met; and

(5) the repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3" respectively, the provider must immediately notify the District and Trustee and the provider must, at the direction of the District or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the District or Trustee.

"Persons" means an individual, corporation, firm, association, partnership, limited liability company, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Policy Payments Account" means the account by that name established and held by the Trustee pursuant to subsection (d) of Section 11.02 of the Trust Agreement.

"Preference Claim" has the meaning ascribed to such term in Section 11.01(n) of the Trust Agreement.

"Prepayment Fund" means the fund by that name established and held by the Trustee pursuant to Section 5.02 of the Trust Agreement.

"Principal Fund" means the fund by that name established and held by the Trustee pursuant to Section 5.02 of the Trust Agreement.

"Principal Office" means the Trustee's principal corporate trust office in St. Paul, Minnesota, or any other office designated by the Trustee.

"Principal Payment Date" means, with respect to a Certificate, the date on which the principal evidenced by such Certificate is scheduled, as of the date of execution and delivery of such Certificate, to become due and payable.

“Project” consists of the acquisition, construction, installation, improvement and equipping of District central kitchen and meeting facilities.

“Property” means the real property described in Exhibit B to the Lease Agreement and any improvements thereto, subject to the provisions of Section 2.02 of the Lease Agreement relating to the termination of the term of the Lease Agreement with respect to the High School Property.

“Purchaser” means, collectively, Piper Sandler & Co. and Loop Capital Markets LLC, as underwriters and purchasers of the Certificates pursuant to the Certificate Purchase Agreement.

“Rebate Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.06 of the Trust Agreement.

“Rebate Requirement” has the meaning ascribed to such term in the Tax Certificate.

“Record Date” means, with respect to any Interest Payment Date, the fifteenth day of the calendar month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

“Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Certificates pursuant to Section 2.06 of the Trust Agreement.

“Release” means to pump, spill, leak, dispose of, empty, discharge or release.

“Rental Payments” means, collectively, the Base Rental Payments and the Additional Rental Payments.

“Rental Period” means the period from the Delivery Date through June 30, 2025 and, thereafter, the twelve-month period commencing on July 1 of each year during the term of the Lease Agreement.

“Reserve Facility” means the Reserve Policy and any line of credit, letter of credit, insurance policy, surety bond or other credit source deposited with the Trustee pursuant to Section 5.05 of the Trust Agreement.

“Reserve Fund” means the fund by that name established in accordance with Section 5.05 of the Trust Agreement.

“Reserve Insurer” means [Insurer], or any successor thereto or assignee thereof.

“Reserve Policy” means the Municipal Bond Debt Service Reserve Insurance Policy, and any endorsement thereto, issued by the Reserve Insurer under which claims may be made in order to provide moneys in the Reserve Fund available for the purposes thereof.

“Reserve Requirement” means, as of any date of calculation, an amount equal to the least of (a) “10% of the proceeds of the issue,” within the meaning of Section 148 of the Code, (b) the

maximum amount of principal and interest evidenced by the Certificates coming due in any Certificate Year, and (c) 125% of the average amount of principal and interest evidenced by the Certificates coming due in each Certificate Year.

“S&P” means S&P Global Ratings, a business unit of Standard and Poor’s Financial Services, LLC, its successors and assigns, and, if S&P Global Ratings shall for any reason no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the District.

“Scheduled Termination Date” means June 1, 20[___].

“Tax Certificate” means the Tax Certificate executed by the District at the time of execution and delivery of the Certificates relating to the requirements of Section 148 of the Code, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“Trust Agreement” means the Trust Agreement, dated as of _____ 1, 2024, by and among U.S. Bank Trust Company, National Association, as trustee, the Corporation and the District, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

“Trustee” means U.S. Bank Trust Company, National Association, as trustee under the Trust Agreement, or any successor thereto as Trustee under the Trust Agreement substituted in its place as provided in the Trust Agreement.

“Verification Report” means, with respect to the deemed payment of Certificates pursuant to clause (ii) of subsection (a) of Section 10.02 of the Trust Agreement, a report of a nationally recognized certified public accountant, or firm of such accountants, verifying that the Defeasance Securities and cash, if any, deposited in connection with such deemed payment satisfy the requirements of clause (ii) of subsection (a) of Section 10.02 of the Trust Agreement.

“Written Certificate of the Corporation” means a written certificate signed in the name of the Corporation by an Authorized Corporation Representative. Any such certificate may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“Written Certificate of the District” or **“Written Request of the District”** means, respectively, a written certificate or written request signed in the name of the District by an Authorized District Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

EXHIBIT B

DESCRIPTION OF THE PROPERTY

All that real property situated in the County of San Bernardino, State of California, described as follows, together with any improvements thereto:

High School Property*:

[To come]

Central Kitchen Property:

[To come]

[END OF LEGAL DESCRIPTION OF REAL PROPERTY]

The above-described parcels are commonly referred to as [Wilmer Amina Carter High School, located at 2630 N. Linden Avenue, Rialto, California 92377 and the land on which the central kitchen and meeting facilities of the District are to be constructed, located at 625 W. Foothill Blvd., Rialto, CA 92376].

* The Lease Agreement provides that, so long as no Lease Default Event shall have occurred and be continuing under the Lease Agreement, the term of the Lease Agreement with respect to the High School Property shall terminate on the date the Written Certificate of the District required by Section 3.04(c) of the Trust Agreement is filed with the Trustee, unless such term is sooner terminated as hereinafter provided, and, from and after the date of such termination (i) the description of the High School Property set forth in this Exhibit B shall be deemed to have been deleted herefrom and the term "Property" shall, for all purposes hereof, be deemed not to include the High School Property, and (ii) all right, title and interest in and to the portion of the High School Property shall vest in the District.

EXHIBIT C

BASE RENTAL PAYMENT SCHEDULE

<u>Interest Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Base Rental Payment</u>
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TRUST AGREEMENT

by and among

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
AS TRUSTEE**

and

**RIALTO UNIFIED SCHOOL DISTRICT
SCHOOL FACILITIES CORPORATION**

and

RIALTO UNIFIED SCHOOL DISTRICT

Dated as of _____ 1, 2024

**Relating To
Rialto Unified School District
Certificates of Participation
(2024 Kitchen and Meeting Facilities Financing)**

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TRUST AGREEMENT

THIS TRUST AGREEMENT (this “Trust Agreement”), dated as of _____ 1, 2024, is by and among U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America, as Trustee (the “Trustee”), the RIALTO UNIFIED SCHOOL DISTRICT SCHOOL FACILITIES CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the “Corporation”), and the RIALTO UNIFIED SCHOOL DISTRICT, a school district organized and existing under the laws of the State of California (the “District”).

W I T N E S S E T H:

WHEREAS, the District desires to finance the acquisition, construction, installation, improvement and equipping of District central kitchen and meeting facilities (the “Project”);

WHEREAS, in order to finance the Project, the District will lease certain real property owned by the District and the improvements thereto (the “Property”) to the Corporation pursuant to a Ground Lease, dated as of the date hereof (the “Ground Lease”), and the District will sublease the Property back from the Corporation pursuant to a Lease Agreement, dated as of the date hereof (the “Lease Agreement”);

WHEREAS, the District and the Corporation have determined that it would be in the best interests of the District and the Corporation to provide a portion of the funds necessary to finance the Project through the sale and delivery, pursuant to this Trust Agreement, of the Rialto Unified School District Certificates of Participation (2024 Kitchen and Meeting Facilities Financing) (the “Certificates”) evidencing direct, fractional undivided interests in the base rental payments to be made by the District under the Lease Agreement;

WHEREAS, all rights to receive such base rental payments have been assigned without recourse by the Corporation to the Trustee pursuant to an Assignment Agreement, dated as of the date hereof;

WHEREAS, in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed to execute and deliver the Certificates, each evidencing a direct, fractional undivided interest in such base rental payments; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Trust Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Trust Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION; EQUAL SECURITY

Section 1.01. Definitions. Certain terms are defined in Exhibit A attached hereto and by this reference incorporated herein. Unless the context otherwise requires, the terms defined in Exhibit A hereto shall, for all purposes hereof and of any certificate, opinion or other document mentioned herein or therein, have the meanings herein specified.

Section 1.02. Rules of Construction. (a) The terms defined herein expressed in the singular shall, unless the context otherwise indicates, include the plural and vice versa.

(b) The use herein of the masculine, feminine or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine or neuter gender, as appropriate.

(c) References herein to a document shall include all amendments, supplements or other modifications to such document, and any replacements, substitutions or novation of, that document.

(d) Any term defined herein by reference to another document shall continue to have the meaning ascribed thereto whether or not such other document remains in effect.

(e) The use herein of the words “including” and “includes,” and words of similar import, shall be deemed to be followed by the phrase “without limitation.”

(f) Headings of Articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(g) All references herein to designated “Articles,” “Sections,” “Exhibits,” “subsections,” “paragraphs,” “clauses,” and other subdivisions are to the designated Articles, Sections, Exhibits, subsections, paragraphs, clauses, and other subdivisions of this Trust Agreement.

(h) The words “hereof” (except when preceded by a specific Section or Article reference), “herein,” “hereby,” “hereunder,” “hereinabove,” “hereinafter,” and other equivalent words and phrases used herein refer to this Trust Agreement and not solely to the particular portion hereof in which any such word is used.

(i) Any reference to a Person, or a Person in a specified capacity, shall be construed to include such Person’s successors or such Person’s successors in such capacity, as the case may be.

Section 1.03. Equal Security. In consideration of the acceptance of the Certificates by the Owners, this Trust Agreement shall be deemed to be and shall constitute a contract between the Trustee and the Owners to secure the full and final payment of the interest and principal evidenced by the Certificates that may be executed and delivered hereunder, subject to each of the agreements, conditions, covenants and terms contained herein; and all agreements, conditions,

covenants and terms contained herein required to be observed or performed by or on behalf of the Trustee shall be for the equal and proportionate benefit, protection and security of all Owners without distinction, preference or priority as to security or otherwise of any Certificate over any other Certificate by reason of the number or date thereof or the time of execution or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

TERMS AND CONDITIONS OF CERTIFICATES

Section 2.01. Preparation and Delivery of Certificates. The Trustee is hereby authorized and directed to prepare the Certificates and, upon the Written Request of the District, shall execute and deliver the Certificates in the aggregate amount of \$[Par Amount] evidencing the aggregate principal components of the Base Rental Payments and each evidencing a direct, fractional undivided interest in the Base Rental Payments. The Certificates shall be numbered, with or without prefixes, as directed by the Trustee. The Trustee is hereby authorized to deliver the Certificates to the Purchaser pursuant to the Certificate Purchase Agreement upon receipt of a Written Request of the District and upon receipt of the proceeds of sale thereof.

Section 2.02. Denomination, Medium and Dating of Certificates. The Certificates shall be designated “Rialto Unified School District Certificates of Participation (2024 Kitchen and Meeting Facilities Financing),” shall be prepared in the form of fully registered Certificates, without coupons, in Authorized Denominations and shall be payable in lawful money of the United States of America. The Certificates shall be dated the Delivery Date. Each Certificate shall evidence interest from the Interest Payment Date next preceding its date of execution to which interest has been paid in full, unless such date of execution shall be after a Record Date and on or prior to the following Interest Payment Date, in which case such Certificate shall evidence interest from such Interest Payment Date, or unless such date of execution shall be on or prior to [November 15, 2024], in which case such Certificate shall represent interest from the Delivery Date. Notwithstanding the foregoing, if, as shown by the records of the Trustee, interest evidenced by the Certificates shall be in default, each Certificate shall evidence interest from the last Interest Payment Date to which such interest has been paid in full or duly provided for.

Section 2.03. Payment Dates of Certificates; Interest Computation. *Method and Place of Payment.* (a) The principal evidenced by the Certificates shall become due and payable, subject to prior prepayment, on June 1 of the years, in the amounts, and shall accrue interest at the rates per annum set forth below, computed on the basis of a 360-day year consisting of twelve 30-day months:

<u>Principal Payment Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Component</u>	<u>Interest</u> <u>Rate</u>
	\$	%

Except as otherwise provided in the Letter of Representations, payments of interest evidenced by the Certificates shall be made to the Owners thereof, as determined at the close of business on the Record Date next preceding the related Interest Payment Date, by check or draft of the Trustee mailed to the address of each such Owner as it appears on the Registration Books, or to such other address as may be furnished in writing to the Trustee by each such Owner. Except

as otherwise provided in the Letter of Representations, payment of principal and prepayment premium, if any, evidenced by the Certificates, on their stated Principal Payment Dates or on prepayment in whole or in part prior thereto, shall be made only upon presentation and surrender of the Certificates at the Principal Office of the Trustee.

(b) *Computation of Interest.* The interest evidenced by the Certificates shall be payable on each Interest Payment Date to and including their respective Principal Payment Dates or prepayment prior thereto, and shall represent the sum of the portions of the Base Rental Payments evidenced thereby designated as interest components coming due on the Interest Payment Dates in each year. The principal evidenced by the Certificates shall be payable on their respective Principal Payment Dates and Mandatory Sinking Account Payment Dates in each year and shall represent the sum of the portions of the Base Rental Payments designated as principal components coming due on the Principal Payment Dates and Mandatory Sinking Account Payment Dates in each year.

Section 2.04. Form of Certificates. The Certificates shall be in substantially the form of Exhibit B hereto, with necessary or appropriate insertions, omissions and variations as permitted or required hereby.

Section 2.05. Execution of Certificates. The Certificates shall be executed by the Trustee by the manual signature of an authorized signatory of the Trustee.

Section 2.06. Registration Books. (a) The Trustee shall keep at its Principal Office sufficient books for the registration and transfer of the Certificates, which books shall be available for inspection and copying by the District and the Insurer at reasonable hours and under reasonable conditions; and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Certificates on such books as hereinabove provided.

(b) The Trustee may treat the Owner of any Certificate as the absolute owner of such Certificate for all purposes, whether or not the principal or interest evidenced by such Certificate shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal evidenced by such Certificate shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge the liability evidenced by such Certificate to the extent of the sum or sums so paid.

Section 2.07. Transfer and Payment of Certificates; Exchange of Certificates. (a) Each Certificate is transferable by the Owner thereof, in person or by such Owner's attorney duly authorized in writing, at the Principal Office of the Trustee, upon surrender of such Certificate for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee.

(b) Whenever any Certificate shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates evidencing principal in the same aggregate amount and having the same stated Principal Payment Date. The Trustee shall require the payment by any Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

(c) Each Certificate may be exchanged at the Principal Office of the Trustee for Certificates evidencing principal in a like aggregate amount and having the same stated Principal Payment Date in such Authorized Denominations as the Owner thereof may request. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

(d) The Trustee shall not be required to transfer or exchange any Certificate during the period commencing on the date five days before the date of selection of Certificates for prepayment and ending on the date of mailing notice of such prepayment, nor shall the Trustee be required to transfer or exchange any Certificate or portion thereof selected for prepayment from and after the date of mailing the notice of prepayment thereof.

Section 2.08. Book-Entry System. (a) The Certificates shall initially be executed and delivered as Book-Entry Certificates and the Certificates for each stated Principal Payment Date shall be in the form of a separate single fully registered Certificate (which may be typewritten). The ownership of each Book-Entry Certificate shall be registered in the Registration Books in the name of the Nominee, as nominee of the Depository. Payment of principal or interest evidenced by any Book-Entry Certificate registered in the name of the Nominee shall be made on the applicable payment date by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of the Nominee. Such payments shall be made to the Nominee at the address that is, on the Record Date, shown for the Nominee in the Registration Books.

(b) With respect to Book-Entry Certificates, the District, the Corporation and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such Book-Entry Certificates. Without limiting the immediately preceding sentence, the District, the Corporation and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in Book-Entry Certificates, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Registration Books, of any notice with respect to Book-Entry Certificates, including any notice of prepayment, (iii) the selection by the Depository and its Participants of the beneficial interests in Book-Entry Certificates to be prepaid in the event Certificates are prepaid in part, (iv) the payment to any Participant or any other person, other than an Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest evidenced by Book-Entry Certificates, or (v) any consent given or other action taken by the Depository as Owner.

(c) The District and the Trustee may treat and consider the person in whose name each Book-Entry Certificate is registered in the Registration Books as the absolute Owner of such Book-Entry Certificate for the purpose of payment of principal, prepayment premium, if any, and interest evidenced by such Certificate, for the purpose of selecting any Certificates, or portions thereof, to be prepaid, for the purpose of giving notices of prepayment and other matters with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, for the purpose of obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and the District, the Corporation and the Trustee shall not be affected by any notice to the contrary.

(d) In the event of a prepayment of all or a portion of a Certificate, the Depository, in its discretion (i) may request the Trustee to execute and deliver a new Certificate, or (ii) if DTC is the sole Owner of such Certificate, shall make an appropriate notation on the Certificate indicating the date and amounts of the reduction in principal evidenced thereby resulting from such prepayment, except in the case of final payment, in which case such Certificate must be presented to the Trustee prior to payment.

(e) The Trustee shall pay all principal, premium, if any, and interest evidenced by the Certificates only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the State of California) the respective Owner, as shown in the Registration Books, or such Owner’s respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal, premium, if any, and interest evidenced by the Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Registration Books, shall receive a Certificate evidencing principal, premium, if any, and interest evidenced by the Certificates. Upon delivery by the Depository to the Owners, the Trustee and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Trust Agreement shall refer to such nominee of the Depository.

(f) In order to qualify the Book-Entry Certificates for the Depository’s book-entry system, the District shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the Corporation, the District or the Trustee any obligation whatsoever with respect to persons having interests in such Book-Entry Certificates other than the Owners, as shown on the Registration Books. Such Letter of Representations may provide the time, form, content and manner of transmission, of notices to the Depository. In addition to the execution and delivery of a Letter of Representations by the District, the District, the Corporation and the Trustee shall take such other actions, not inconsistent with this Trust Agreement, as are reasonably necessary to qualify Book-Entry Certificates for the Depository’s book-entry program.

(g) In the event the District determines that it is in the best interests of the Beneficial Owners that they be able to obtain certificated Certificates and that such Certificates should therefore be made available and notifies the Depository and the Trustee of such determination, the Depository shall notify the Participants of the availability through the Depository of certificated Certificates. In such event, the Trustee shall transfer and exchange certificated Certificates as requested by the Depository and any other Owners in appropriate amounts. In the event (i) the Depository determines not to continue to act as securities depository for Book-Entry Certificates, or (ii) the Depository shall no longer so act and gives notice to the Trustee of such determination, then the District shall discontinue the Book-Entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered Certificate for each stated Principal Payment Date of such Book-Entry Certificates, registered in the name of such successor or substitute qualified securities depository or its nominee. If the District fails to identify another qualified securities depository to replace the Depository, then the Certificates shall no longer be restricted to being registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such

Certificates shall designate, in accordance with the provisions of Sections 2.07 and 2.08 hereof. Whenever the Depository requests the District to do so, the District shall cooperate with the Depository in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Book-Entry Certificates to any Participant having Book-Entry Certificates credited to its account with the Depository, and (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Book-Entry Certificates.

(h) Notwithstanding any other provision of this Trust Agreement to the contrary, if DTC is the sole Owner of the Certificates, so long as any Book-Entry Certificate is registered in the Registration Books in the name of the Nominee, all payments of principal, premium, if any, and interest evidenced by such Certificate and all notices with respect to such Certificate shall be made and given, respectively, as provided in the Letter of Representations or as otherwise instructed by the Depository.

(i) In connection with any notice or other communication to be provided to Owners pursuant to this Trust Agreement by the District, the Corporation or the Trustee, with respect to any consent or other action to be taken by Owners, the Trustee shall establish a record date for such consent or other action and give the Depository notice of such record date no later than 15 calendar days in advance of such record date to the extent possible. Notice to the Depository shall be given only when DTC is the sole Owner of the Certificates.

Section 2.09. Temporary Certificates. The Certificates may be initially delivered in temporary form exchangeable for definitive Certificates when ready for delivery, which temporary Certificates shall be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Trustee, shall be in fully registered form and shall contain such reference to any of the provisions hereof as may be appropriate. Every temporary Certificate shall be executed and delivered by the Trustee upon the same conditions and terms and in substantially the same manner as definitive Certificates. If the Trustee executes and delivers temporary Certificates, it shall prepare and execute definitive Certificates without delay, and thereupon the temporary Certificates may be surrendered at the Principal Office of the Trustee in exchange for such definitive Certificates, and until so exchanged such temporary Certificates shall be entitled to the same benefits hereunder as definitive Certificates executed and delivered hereunder.

Section 2.10. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner thereof, shall execute and deliver a new Certificate evidencing a like principal amount and having the same stated Principal Payment Date and number in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be canceled by it and disposed of in a manner deemed appropriate by the Trustee. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and if such evidence is satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner thereof, shall execute and deliver a new Certificate evidencing a like principal amount and having the same stated Principal Payment Date, numbered as the Trustee shall determine, in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Certificate executed and delivered by it under this Section and of the expenses that may be incurred by it under this Section. Any

Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Certificates executed and delivered hereunder, and the Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the amount of Certificates that may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of executing and delivering a new Certificate for a Certificate that has been lost, destroyed or stolen and that evidences principal that is then payable, the Trustee may make payment of such Certificate to the Owner thereof if so instructed by the District.

ARTICLE III

PROCEEDS OF CERTIFICATES

Section 3.01. Delivery of Certificates. The Trustee shall execute the Certificates and deliver the Certificates to the Purchaser upon receipt of a Written Request of the District and upon receipt of the proceeds of sale thereof in the amount specified in Section 3.02.

Section 3.02. Proceeds of Certificates. The proceeds of the Certificates shall be used by the Corporation to pay the District the rental payment due under the Ground Lease. The District hereby directs the Corporation to make such payment to the Trustee. The proceeds of the sale of the Certificates so received by the Trustee, \$[Net Purchase Price] (which constitutes the purchase price of the Certificates less the premium for the Insurance Policy (\$[Insurance Premium]) to be wired directly to the Insurer by the Purchaser, and less the premium for the Reserve Policy (\$[Reserve Premium]) to be wired directly to the Reserve Insurer by the Purchaser), shall be deposited by the Trustee as follows:

- (a) the Trustee shall deposit in the Costs of Issuance Fund established pursuant to Section 3.03 hereof the amount of \$[COI Fund Deposit];
- (b) the Trustee shall deposit in the Interest Fund established pursuant to Section 5.02 hereof the amount of \$[Interest Fund Deposit]; and
- (c) the Trustee shall deposit in the Acquisition Fund established pursuant to Section 3.04 hereof the amount of \$[Acquisition Fund Deposit].

The Trustee shall deposit in the Reserve Fund established pursuant to Section 5.05 hereof the Reserve Policy, in an amount equal to the Reserve Requirement.

The Trustee may establish and use temporary funds or accounts in its records to facilitate and record such deposit and transfer.

Section 3.03. Costs of Issuance Fund. (a) The Trustee shall establish and maintain a separate special fund to be held by the Trustee designated the “Costs of Issuance Fund.” On the Delivery Date, there shall be deposited in the Costs of Issuance Fund the amount required to be deposited therein pursuant to Section 3.02 hereof.

(b) The Trustee shall disburse moneys from the Costs of Issuance Fund on such dates and in such amounts as are necessary to pay Costs of Issuance, in each case upon the Written Request of the District, stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against the Costs of Issuance Fund. On the last Business Day that is no later than six months after the Delivery Date, the Trustee shall transfer any amounts then remaining in the Costs of Issuance Fund to the Base Rental Payment Fund and the Trustee shall close the Costs of Issuance Fund.

Section 3.04. Acquisition Fund. (a) The Trustee shall establish and maintain a separate fund to be held by the Trustee designated the “Acquisition Fund.” On the Delivery Date, there shall be deposited in the Acquisition Fund the amount required to be deposited therein pursuant to

Section 3.02 hereof. All moneys in the Acquisition Fund shall be held by the Trustee in trust and applied by the Trustee, as provided in this Section, to the payment of Acquisition Costs.

(b) Upon receipt by the Trustee of a Written Request of the District requesting the Trustee to make a payment from the Acquisition Fund, which Written Request shall be in substantially the form of Exhibit C hereto, the Trustee shall pay the amount set forth in such Written Request as directed by the terms thereof.

(c) Upon the filing of a Written Certificate of the District stating (i) that the portion of the Project to be financed from the Acquisition Fund has been completed and that all costs of such Project have been paid, or (ii) that such portion of the Project has been substantially completed and that all remaining costs of such portion of the Project have been determined and specifying the amount to be retained therefor, the Trustee shall (A) if the amount remaining in the Acquisition Fund (less any such retention) is equal to or greater than \$50,000, transfer the portion of such amount equal to the largest integral multiple of \$5,000 that is not greater than such amount to the Prepayment Fund, to be applied to the prepayment of Certificates pursuant to Section 4.01(b) hereof, and (B) after making the transfer, if any, required to be made pursuant to the preceding clause (A), transfer all of the amount remaining in the Acquisition Fund (less any such retention) to the Interest Fund, to be applied to the payment of interest evidenced by the Certificates.

ARTICLE IV

PREPAYMENT OF CERTIFICATES

Section 4.01. Terms of Prepayment. (a) *Extraordinary Prepayment.* The Certificates are subject to prepayment prior to their stated Principal Payment Dates, on any date, in whole or in part, in Authorized Denominations, from and to the extent of any Net Proceeds received with respect to all or a portion of the Property, deposited by the Trustee in the Prepayment Fund pursuant to Sections 5.03 and 5.04 hereof, at a prepayment price equal to the principal evidenced by the Certificates to be prepaid, plus unpaid accrued interest, if any, evidenced thereby to the date fixed for prepayment, without premium.

(b) *Optional Prepayment.* [The Certificates maturing on or before June 1, 20__ , are not subject to optional prepayment prior to their respective stated Principal Payment Dates. The Certificates maturing on or after June 1, 20__ , are subject to optional prepayment prior to their respective stated Principal Payment Dates, on any date on or after June 1, 20__ , at the prepayment prices set forth below expressed as percentages of the principal components of the Base Rental Payments subject to prepayment, in whole or in part, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to subsection (a) of Section 3.07 of the Lease Agreement, any such prepayment to be at a price equal to the principal evidenced by the Certificates to be prepaid, plus unpaid accrued interest evidenced thereby to the date fixed for prepayment.

Prepayment Prices	Prepayment Date
[10_]%	June 1, 20__ to May 31 ,20__
[10_]%	June 1, 20__ to May 31 ,20__
[10_]%	June 1, 20__ to May 31 ,20__
100%	June 1, 20__ and thereafter]

(c) [*Optional Prepayment.* The Certificates maturing on or before June 1, 20__ , are not subject to optional prepayment prior to their respective stated Principal Payment Dates. The Certificates are subject to optional prepayment prior to their respective stated Principal Payment Dates, on any date on or after June 1, 20__ , in whole or in part, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to subsection (b) of Section 3.07 of the Lease Agreement, any such prepayment to be at a price equal to the principal evidenced by the Certificates to be prepaid, plus unpaid accrued interest evidenced thereby to the date fixed for prepayment, without premium.]

(d) *Mandatory Sinking Account Prepayment.* The Certificates with a stated Principal Payment Date of June 1, 20__ are subject to prepayment prior to such stated Principal Payment Date, in part, from Mandatory Sinking Account Payments, on each June 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such Certificates to be so prepaid and the dates therefor shall be as follows:

Prepayment Date
(June 1)

Principal
To Be Prepaid

*

*Stated Principal Payment Date

If some but not all of the principal evidenced by the Certificates with a stated Principal Payment Date of June 1, 20__ is prepaid pursuant to subsection (a) of Section 4.01 hereof, the principal evidenced by the Certificates with a stated Principal Payment Date of June 1, 20__ to be prepaid pursuant to subsection (d) of Section 4.01 hereof on any subsequent June 1 shall be reduced by the aggregate principal evidenced by the Certificates with a stated Principal Payment Date of June 1, 20__ so prepaid pursuant to subsection (a) of Section 4.01 hereof, such reduction to be allocated among prepayment dates in proportion to the amount by which the principal components of the Base Rental Payments evidenced by such Certificates payable on such prepayment dates are abated pursuant to Section 3.06 of the Lease Agreement as a result of the event that caused such Certificates to be prepaid pursuant to subsection (a) of Section 4.01 hereof in amounts of Authorized Denominations. If some but not all of the principal evidenced by the Certificates with a stated Principal Payment Date of June 1, 20__ is prepaid pursuant to subsection (b) or (c) of Section 4.01 hereof, the principal evidenced by the Certificates with a stated Principal Payment Date of June 1, 20__ to be prepaid pursuant to subsection (d) of Section 4.01 hereof on any subsequent June 1 shall be reduced by the aggregate principal evidenced by the Certificates with a stated Principal Payment Date of June 1, 20__ so prepaid pursuant to subsection (b) or (c) of Section 4.01 hereof, such reduction to be allocated among prepayment dates in amounts of Authorized Denominations to correspond to the prepaid Base Rental Payments elected by the District pursuant to Section 3.07 of the Lease Agreement.

The Certificates with a stated Principal Payment Date of June 1, 20__ are subject to prepayment prior to such stated Principal Payment Date, in part, from Mandatory Sinking Account Payments, on each June 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such Certificates to be so prepaid and the dates therefor shall be as follows:

Prepayment Date
(June 1)

Principal
To Be Prepaid

*

*Stated Principal Payment Date

If some but not all of the principal evidenced by the Certificates with a stated Principal Payment Date of June 1, 20__ is prepaid pursuant to subsection (a) of Section 4.01 hereof, the principal evidenced by the Certificates with a stated Principal Payment Date of June 1, 20__ to be prepaid pursuant to subsection (d) of Section 4.01 hereof on any subsequent June 1 shall be reduced by the aggregate principal evidenced by the Certificates with a stated Principal Payment Date of June 1, 20__ so prepaid pursuant to subsection (a) of Section 4.01 hereof, such reduction to be allocated among prepayment dates in proportion to the amount by which the principal components of the Base Rental Payments evidenced by such Certificates payable on such prepayment dates are abated pursuant to Section 3.06 of the Lease Agreement as a result of the event that caused such Certificates to be prepaid pursuant to subsection (a) of Section 4.01 hereof in amounts of Authorized Denominations. If some but not all of the principal evidenced by the Certificates with a stated Principal Payment Date of June 1, 20__ is prepaid pursuant to subsection (b) or (c) of Section 4.01 hereof, the principal evidenced by the Certificates with a stated Principal Payment Date of June 1, 20__ to be prepaid pursuant to subsection (d) of Section 4.01 hereof on any subsequent June 1 shall be reduced by the aggregate principal evidenced by the Certificates with a stated Principal Payment Date of June 1, 20__ so prepaid pursuant to subsection (b) or (c) of Section 4.01 hereof, such reduction to be allocated among prepayment dates in amounts of Authorized Denominations to correspond to the prepaid Base Rental Payments elected by the District pursuant to Section 3.07 of the Lease Agreement.

Section 4.02. Selection of Certificates for Prepayment. Whenever less than all the Outstanding Certificates are to be prepaid on any one date, the Trustee shall select the Certificates to be prepaid (a) with respect to any prepayment pursuant to subsection (a) of Section 4.01 hereof, among Certificates with different stated Principal Payment Dates in proportion to the amount by which the principal components of the Base Rental Payments evidenced by such Certificates are abated pursuant to Section 3.06 of the Lease Agreement, and (b) with respect to any prepayment pursuant to subsection (b) or (c) of Section 4.01 hereof, as directed in a Written Request of the District, and by lot among Certificates with the same stated Principal Payment Date in any manner that the Trustee deems fair and appropriate, which decision shall be final and binding upon the District and the Owners. The Trustee shall promptly notify the District in writing of the numbers of the Certificates so selected for prepayment on such date. For purposes of such selection, any Certificate may be prepaid in part in Authorized Denominations.

Section 4.03. Notice of Prepayment. (a) The Trustee shall mail (by first class mail) notice of any prepayment to the respective Owners of any Certificates designated for prepayment at their respective addresses appearing on the Registration Books at least 30 but not more than 60 days prior to the date fixed for prepayment. Such notice shall state the date of the notice, the prepayment date, the prepayment place and the prepayment price and shall designate the CUSIP numbers, if any, the Certificate numbers and the stated Principal Payment Date or Principal Payment Dates of the Certificates to be prepaid (except in the event of prepayment of all of the Certificates in whole), and shall require that such Certificates be then surrendered at the Principal Office of the Trustee for prepayment at the prepayment price, giving notice also that further interest evidenced by such Certificates will not accrue from and after the date fixed for prepayment. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the prepayment of the Certificates or the cessation of accrual of interest evidenced thereby from and after the date fixed for prepayment.

(b) With respect to any notice of any optional prepayment of Certificates, unless at the time such notice is given the Certificates to be prepaid shall be deemed to have been paid within the meaning of Section 10.02 hereof, such notice shall state that such prepayment is conditional upon receipt by the Trustee, on or prior to the date fixed for such prepayment, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the prepayment price of, and accrued interest evidenced by, the Certificates to be prepaid, and that if such moneys shall not have been so received said notice shall be of no force and effect and such Certificates shall not be required to be prepaid. In the event a notice of prepayment of Certificates contains such a condition and such moneys are not so received, the prepayment of Certificates as described in the conditional notice of prepayment shall not be made and the Trustee shall, within a reasonable time after the date on which such prepayment was to occur, give notice to the Persons and in the manner in which the notice of prepayment was given, that such moneys were not so received and that there shall be no prepayment of Certificates pursuant to such notice of prepayment.

Section 4.04. Partial Prepayment of Certificates. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof a new Certificate or Certificates evidencing the unprepaid principal with respect to the Certificate surrendered.

Section 4.05. Effect of Prepayment. If notice of prepayment has been duly given as aforesaid and moneys for the payment of the prepayment price of the Certificates to be prepaid are held by the Trustee, then on the prepayment date designated in such notice, the Certificates so called for prepayment shall become payable at the prepayment price specified in such notice; and from and after the date so designated, interest evidenced by the Certificates so called for prepayment shall cease to accrue, such Certificates shall cease to be entitled to any benefit or security hereunder and the Owners of such Certificates shall have no rights in respect thereof except to receive payment of the prepayment price thereof, and such moneys shall be pledged to such prepayment. The Trustee shall, upon surrender for payment of any of the Certificates to be prepaid, pay such Certificates at the prepayment price thereof.

All Certificates prepaid pursuant to the provisions of this Article shall be canceled by the Trustee and shall not be redelivered.

ARTICLE V

FUNDS AND ACCOUNTS; RENTAL PAYMENTS

Section 5.01. Pledge; Base Rental Payment Fund. (a) Subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, in order to secure the District's obligations hereunder and under the Lease Agreement, the District hereby irrevocably pledges to the Owners, and grants a lien on and a security interest in, all of its right, title and interest, if any, in and to all amounts on deposit from time to time in the funds and accounts established hereunder (other than the Rebate Fund), which amounts shall be used for the payment of the Base Rental Payments in accordance with the terms hereof and of the Lease Agreement. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, this Trust Agreement, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

(b) It is the intent of the parties hereto that the Corporation not have any right, title or interest in or to the amounts on deposit from time to time in the funds and accounts established hereunder. If, contrary to the intent of the parties hereto, the Corporation is found to have any right, title or interest in or to any such amounts, then, subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Corporation hereby irrevocably pledges to the Owners, and grants a lien on and a security interest in, all of its right, title and interest, if any, in and to all amounts on deposit from time to time in the funds and accounts established hereunder (other than the Rebate Fund). Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the Corporation, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, this Trust Agreement, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

(c) All Base Rental Payments shall be paid directly by the District to the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one Business Day after the receipt thereof. All Base Rental Payments paid by the District shall be deposited by the Trustee in the Base Rental Payment Fund, which the Trustee shall establish and maintain until all required Base Rental Payments are paid in full pursuant to the Lease Agreement and until the first date upon which the Certificates are no longer Outstanding. The moneys in the Base Rental Payment Fund shall be held in trust by the Trustee and shall be disbursed only for the purposes and uses herein authorized. Any Net Proceeds of rental interruption insurance received with respect to the Property shall be deposited in the Base Rental Payment Fund.

(d) Pursuant to the Assignment Agreement, the Corporation has sold, assigned and transferred to the Trustee, irrevocably and absolutely, for the benefit of the Owners, substantially

all of its right, title and interest in and to the Ground Lease and the Lease Agreement, including its right to receive Base Rental Payments to be paid by the District under and pursuant to the Lease Agreement; provided, however, that the Corporation has retained the rights to indemnifications and to payment or reimbursement of its reasonable costs and expenses under the Lease Agreement. The Corporation shall not have any obligation or liability to the Owners with respect to the payment when due of the Base Rental Payments by the District, or with respect to the performance by the District of the other agreements and covenants required to be performed by it contained in the Ground Lease, the Lease Agreement or herein, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

Section 5.02. Deposit of Base Rental Payments. The Trustee shall transfer the amounts on deposit in the Base Rental Payment Fund, at the times and in the manner hereinafter provided, to the following respective funds, each of which the Trustee hereby agrees to establish and maintain until all required Base Rental Payments are paid in full pursuant to the Lease Agreement and until the first date upon which the Certificates are no longer Outstanding. The moneys in each of such funds shall be held in trust by the Trustee and shall be disbursed only for the purposes and uses herein authorized.

(a) *Interest Fund.* The Trustee, on each Interest Payment Date, shall deposit in the Interest Fund that amount of moneys representing the portion of the Base Rental Payments designated as the interest component coming due on such Interest Payment Date. On each Interest Payment Date, the Trustee shall withdraw from the Interest Fund, for payment to the Owners, the interest evidenced by the Certificates coming due on such Interest Payment Date.

(b) *Principal Fund.* The Trustee, on each Principal Payment Date and each Mandatory Sinking Account Payment Date, shall deposit in the Principal Fund that amount of moneys representing the portion of the Base Rental Payments designated as the principal component coming due on such Principal Payment Date or Mandatory Sinking Account Payment Date. On each Principal Payment Date and each Mandatory Sinking Account Payment Date, the Trustee shall withdraw from the Principal Fund, for payment to the Owners, the principal evidenced by the Certificates due and payable on such Principal Payment Date or Mandatory Sinking Account Payment Date.

(c) *Prepayment Fund.* The Trustee, on the prepayment date specified in the Written Request of the District filed with the Trustee at the time that any prepaid Base Rental Payment is paid to the Trustee pursuant to the Lease Agreement, shall deposit in the Prepayment Fund that amount of moneys representing the portion of the Base Rental Payments designated as prepaid Base Rental Payments. Additionally, the Trustee shall deposit in the Prepayment Fund any amounts required to be deposited therein pursuant to Section 3.04, Section 5.03 or Section 5.04 hereof. Moneys in the Prepayment Fund shall be used by the Trustee for the purpose of paying the interest, premium, if any, and principal evidenced by the Certificates to be prepaid. All moneys held by the Trustee in the Prepayment Fund shall either be held uninvested or invested in Defeasance Securities that mature in sufficient amounts and on the dates needed to make the prepayments of Certificates for which such moneys were deposited.

Section 5.03. Application of Net Proceeds. If the Property or any portion thereof shall be damaged or destroyed, subject to the further requirements of this Section, the District shall, as

expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the District elects not to repair or replace the Property or the affected portion thereof in accordance with the provisions hereof.

The Net Proceeds of any insurance (other than Net Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of any damage or destruction of the Property or a portion thereof shall as soon as possible be deposited with the Trustee and be held by the Trustee in a special account to be established by the Trustee, as an account subject to the provisions of this Trust Agreement, and made available for and, to the extent necessary, shall be applied to the cost of repair or replacement of the Property or the affected portion thereof upon receipt of a Written Request of the District, together with invoices therefor. Pending such application, such proceeds may be invested by the Trustee as directed by the District in Permitted Investments that mature not later than such times as moneys are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, the District shall, within 60 days of the occurrence of the event of damage or destruction, notify the Trustee and the Insurer in writing as to whether the District intends to replace or repair the Property or the portions of the Property that were damaged or destroyed. If the District does intend to replace or repair the Property or portions thereof, the District shall deposit with the Trustee the full amount of any insurance deductible to be deposited to the special account.

If such damage, destruction or loss was such that there resulted a substantial interference with the District's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments would result from such damage or destruction pursuant to Section 3.06 of the Lease Agreement (disregarding, for the purpose of determining whether such an abatement would result, the provisions of subsection (b) of Section 3.06 of the Lease Agreement), then the District shall be required either to (a) apply sufficient funds from the insurance proceeds and other legally available funds to the replacement or repair of the Property or the portions thereof that have been damaged to the condition that existed prior to such damage or destruction, or (b) apply sufficient funds from the insurance proceeds and other legally available funds to the prepayment, as set forth in subsection (a) of Section 4.01 hereof, in full of all the Outstanding Certificates or all of those Outstanding Certificates that would have been payable from that portion of the Base Rental Payments that would be abated as a result of the damage or destruction (disregarding, for the purpose of determining what portion of the Base Rental Payments would be so abated, the provisions of subsection (b) of Section 3.06 of the Lease Agreement). Funds to be applied to the prepayment of Certificates in accordance with clause (b) above shall be deposited in the Prepayment Fund. Any proceeds of any insurance, including the proceeds of any self-insurance remaining after the portion of the Property that was damaged or destroyed is restored to and made available to the District in substantially the same condition and annual fair rental value as that which existed prior to the damage or destruction as required by clause (a) above or the prepayment of Certificates as required by clause (b) above, in each case as evidenced by a Written Certificate of the District to such effect, shall be deposited in the Reserve Fund to the extent that the amount therein is less than the Reserve Requirement (taking into account amounts available under any Reserve Facility). If the District is not required to replace or repair the Property, or the affected portion thereof, as set forth in clause (a) above or to use such amounts to prepay Certificates as set forth in clause (b) above, then such proceeds shall be deposited in the Reserve Fund to the extent

that the amount therein is less than the Reserve Requirement (taking into account amounts available under any Reserve Facility). Any amounts not required to be so deposited into the Reserve Fund shall, if there is first delivered to the Trustee and the Insurer a Written Certificate of the District to the effect that the annual fair rental value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, is at least equal to 100% of the maximum amount of Base Rental Payments becoming due under the Lease Agreement in the then current Rental Period or any subsequent Rental Period and the fair replacement value of the Property after such damage or destruction is at least equal to the sum of the then unpaid principal components of Base Rental Payments, be paid to the District to be used for any lawful purpose.

The proceeds of any award in eminent domain with respect to the Property shall be deposited by the Trustee in the Prepayment Fund and applied to the prepayment of Outstanding Certificates pursuant to subsection (a) of Section 4.01 hereof.

Section 5.04. Title Insurance. Proceeds of any policy of title insurance received by the Trustee in respect of the Property shall be applied and disbursed by the Trustee as follows:

(a) if the District determines (and sets forth in a Written Certificate of the District) that the title defect giving rise to such proceeds has not substantially interfered with its use and occupancy of the Property and will not result in an abatement of Rental Payments payable by the District under the Lease Agreement, such proceeds shall, with the written approval of the Insurer, be remitted to the District and used for any lawful purpose thereof; or

(b) if the District determines that the title defect giving rise to such proceeds has substantially interfered with its use and occupancy of the Property and would result in an abatement in whole or in part of Rental Payments payable by the District under the Lease (disregarding, for the purpose of determining whether such an abatement would result, the provisions of subsection (b) of Section 3.06 of the Lease Agreement), then the District shall, in a Written Request of the District, direct the Trustee to, and the Trustee shall, immediately deposit such proceeds in the Prepayment Fund and such proceeds shall, with the written approval of the Insurer, be applied to the prepayment of Certificates in the manner provided in subsection (a) of Section 4.01 hereof.

Section 5.05. Reserve Fund. (a) The Trustee shall establish and maintain the Reserve Fund until all required Base Rental Payments are paid in full pursuant to the Lease Agreement and until the first date upon which the Certificates are no longer Outstanding. There shall be deposited in the Reserve Fund on the Delivery Date the Reserve Policy pursuant to Section 3.02 hereof. The moneys in the Reserve Fund and any Reserve Facility shall be held in trust by the Trustee and shall be used and disbursed only for the purposes and uses herein authorized.

(b) The District may substitute a Reserve Facility for all or a part of the Reserve Facility then on deposit in the Reserve Fund by depositing such substitute Reserve Facility with the Trustee so long as, at the time of such substitution, the amount on deposit in the Reserve Fund, together with the amount available under such Reserve Facility and any previously substituted Reserve Facilities, shall be at least equal to the Reserve Requirement; provided, however, that, prior to any

such substitution, the Trustee shall have received the written consent of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy). The District shall not substitute any Reserve Facility in lieu of all or any portion of moneys on deposit in the Reserve Fund without the prior written consent of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy). Moneys for which a Reserve Facility has been substituted as provided herein shall be transferred, at the election of the District, to the Base Rental Payment Fund, or upon receipt of an Opinion of Counsel to the effect that such transfer, in and of itself, will not adversely affect the exclusion of interest evidenced by the Certificates from gross income for federal income tax purposes, to a special account to be held by the Trustee and applied to the payment of capital costs of the District, as directed in a Written Request of the District. Any amounts paid pursuant to any Reserve Facility shall be deposited in the Reserve Fund.

(c) Amounts on deposit in the Reserve Fund that were not derived from payments under any Reserve Facility credited to the Reserve Fund to satisfy a portion of the Reserve Requirement shall be used and withdrawn by the Trustee prior to using and withdrawing any amounts derived from payments under any such Reserve Facility. In order to accomplish such use and withdrawal of such amounts not derived from payments under any such Reserve Facility, the Trustee shall, as and to the extent necessary, liquidate any investments purchased with such amounts. If and to the extent that, more than one Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Requirement, drawings thereunder, and repayment of expenses with respect thereto, shall be made on a *pro-rata* basis (calculated by reference to the policy limits available thereunder without regard to the legal or financial ability or willingness of any Reserve Facility provider to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw).

If, on any Interest Payment Date, the amount on deposit in the Interest Fund is insufficient to pay the interest evidenced by the Certificates payable on such Interest Payment Date, the Trustee shall transfer from the Reserve Fund and deposit in the Interest Fund an amount sufficient to make up such deficiency. If a Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Requirement, the Trustee shall make a claim for payment under such Reserve Facility, in accordance with the provisions thereof, in an amount that, together with other available moneys in the Reserve Fund, will be sufficient to make said deposit in the Interest Fund.

If, on any Principal Payment Date or Mandatory Sinking Account Payment Date, the amount on deposit in the Principal Fund is insufficient to pay the principal evidenced by the Certificates payable on such Principal Payment Date or Mandatory Sinking Account Payment Date, the Trustee shall transfer from the Reserve Fund and deposit in the Principal Fund an amount sufficient to make up such deficiency. If a Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Requirement, the Trustee shall make a claim for payment under such Reserve Facility, in accordance with the provisions thereof, in an amount that, together with other available moneys in the Reserve Fund, will be sufficient to make said deposit in the Principal Fund.

Moneys, if any, on deposit in the Reserve Fund shall be withdrawn and applied by the Trustee for the final payment of principal and interest evidenced by the Certificates.

(d) In the event of any transfer from the Reserve Fund or the making of any claim under any Reserve Facility, the Trustee shall, within five days thereafter, provide written notice to the District of the amount and the date of such transfer or claim.

(e) To the extent that proceeds of a payment under the Reserve Policy are applied to the payment of interest or principal evidenced by a Certificate, the Reserve Insurer shall become the Owner of such portion of such Certificate and the right to receive payment of such interest or principal and shall be fully subrogated to all of the Owner's rights thereunder to the extent of such payment, including the Owner's rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims for interest, the Trustee shall note the Reserve Insurer's rights as subrogee on the Registration Books, and (ii) in the case of subrogation as to claims for principal, the Trustee shall note the Reserve Insurer's rights as subrogee on the Registration Books upon surrender of the Certificate evidencing such principal by the Owner thereof to the Trustee.

(f) If, as a result of the District's non-payment, when due, of all or a portion of a Base Rental Payment (other than a non-payment caused by an abatement of Rental Payments pursuant to Section 3.06 of the Lease Agreement), a claim has been made under the Reserve Policy and the Reserve Insurer has paid such claim, the first of Base Rental Payments, including the interest component thereof, calculated at the Insurer Rate as provided in Section 3.04 of the Lease Agreement, thereafter received from the District under the Lease Agreement and not needed to pay the principal or interest evidenced by the Certificates on the next Interest Payment Date, Principal Payment Date or Mandatory Sinking Account Payment Date shall be paid to the Reserve Insurer, as the Owner of the Certificates (or portions thereof) evidencing such delinquent Base Rental Payment, in repayment of such payment by the Reserve Insurer until such payment is paid in full. If as a result of the District's non-payment of all or a portion of a Base Rental Payment (which non-payment is caused by an abatement of Rental Payments pursuant to Section 3.06 of the Lease Agreement), a claim has been made on the Reserve Policy and the Reserve Insurer has paid such claim, the Reserve Insurer, as the Owner of the Certificates (or portions thereof) evidencing such abated Base Rental Payment, shall be entitled to receive, during the extension of the term of the Lease Agreement provided for in Section 2.02 of the Lease Agreement, any amounts paid in respect of such abated and unpaid Base Rental Payment pursuant to subsection (b) of Section 3.01 and Section 3.04 of the Lease Agreement. Any such payment by the District pursuant to this Section shall be applied first to the interest component of such delinquent Base Rental Payment due the Reserve Insurer and second to the principal components of such delinquent Base Rental Payment due the Reserve Insurer.

(g) If (i) the sum of the amount on deposit in the Reserve Fund, plus the amount available under all available Reserve Facilities, is less than the Reserve Fund Requirement, (ii) there are no amounts then due to the Reserve Insurer under the Reserve Policy, and (iii) there are no amounts then due to the provider of any other Reserve Facility under such Reserve Facility, the first of Base Rental Payments thereafter received from the District under the Lease Agreement and not needed to pay the principal or interest evidenced by the Certificates on the next Interest Payment Date, Principal Payment Date or Mandatory Sinking Account Payment Date shall be used, first, to reinstate the amounts available under the Reserve Facilities that have been drawn upon and, second, to increase the amount on deposit in the Reserve Fund, so that the amount available under the Reserve Facilities, when added to the amount on deposit in the Reserve Fund, shall equal the Reserve Requirement.

(h) If, as a result of the payment of principal or interest evidenced by the Certificates or otherwise, the Reserve Requirement is reduced, amounts on deposit in the Reserve Fund in excess of such reduced Reserve Requirement shall be transferred to the Base Rental Payment Fund.

(i) On any date on which Certificates are defeased in accordance with Section 10.02 hereof, the Trustee shall, if so directed in a Written Request of the District, transfer any moneys in the Reserve Fund in excess of the Reserve Requirement resulting from such defeasance to the entity or fund so specified in such Written Request of the District, to be applied to such defeasance.

Section 5.06. Rebate Fund. (a) In addition to the other funds and accounts created pursuant hereto, the Trustee shall establish and maintain the “Rebate Fund.” There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Certificates pursuant to Article X hereof or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall have no liability or responsibility to enforce compliance by the District with the terms of the Tax Certificate. The Trustee may conclusively rely upon the District’s determinations, calculations and certifications required by the Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the District’s calculations.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the principal and interest evidenced by the Certificates and after payment of any amounts described in this Section, shall be withdrawn by the Trustee and remitted to the District.

Section 5.07. Investments. (a) *General.* Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to this Trust Agreement and held by the Trustee shall be invested by the Trustee solely in Permitted Investments, as directed in writing by the District two Business Days prior to the making of such investment. Moneys in all funds and accounts held by the Trustee shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Trust Agreement; provided, however, that Permitted Investments in which moneys in the Reserve Fund are so invested shall mature no later than the earlier of five years from the date of investment or the final stated Principal Payment Date of the Certificates; provided, further, that if such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final stated Principal Payment Date of the Certificates. Absent timely written direction from the District, the Trustee shall invest any funds held by it in Permitted Investments described in clause (h) of the definition thereof.

(b) *Role and Responsibilities of the Trustee.* The Trustee or an affiliate thereof may act as principal or agent in the acquisition or disposition of any such Permitted Investment and shall be entitled to a customary and reasonable fee therefor. The Trustee shall not be liable or responsible for any loss suffered in connection with any such investment made by it under the terms of and in accordance with this Trust Agreement. The Trustee shall sell or present for redemption any

obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment of the funds so invested, and the Trustee shall not be liable or responsible for any losses resulting from any such investment sold or presented for redemption.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District will not receive such confirmation to the extent permitted by law. The Trustee shall furnish the District periodic cash transaction statements, which shall include detail for all investment transactions made by the Trustee hereunder. The Trustee may make any investments hereunder through its own bond or investment department or trust investment department, or those of its parent or any affiliate. The Trustee or any of its affiliates may act as sponsor, advisor or manage in connection with any investments made by the Trustee hereunder.

(c) *Valuation.* Investments (except investment agreements) in any fund or account established hereunder shall be valued, exclusive of accrued interest (i) not less often than semi-annually no later than February 15 and August 15 or more frequently if deemed necessary by the Insurer but not more often than monthly, and (ii) upon any draw upon the Reserve Fund. All investments of amounts deposited in any fund or account established hereunder shall be valued at the market value thereof.

(d) *Earnings.* Subject to the provisions of Section 5.06 hereof, any interest or profits received with respect to investments held in any of the funds or accounts established hereunder (other than the Reserve Fund) shall be retained therein. Subject to the provisions of Section 5.06 hereof, any interest or profits received with respect to investments held in the Reserve Fund shall, prior to the date on which a Written Certificate of the District is filed with the Trustee pursuant to Section 3.04(c) hereof, to be transferred to the Acquisition Fund and, thereafter, be transferred to the Base Rental Payment Fund. Notwithstanding the foregoing, any such transfer shall be made from the Reserve Fund only if and to the extent that, after such transfer, the amount on deposit in the Reserve Fund, together with amounts available to be drawn on all Reserve Facilities, if any, available therein, is at least equal to the Reserve Requirement.

ARTICLE VI

COVENANTS; LIMITATIONS ON LIABILITY

Section 6.01. Compliance with Trust Agreement. The Trustee shall execute and deliver the Certificates only in accordance with the provisions hereof, and each of the Corporation and the District shall faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in this Trust Agreement required to be complied with, kept, observed and performed by it.

Section 6.02. Compliance with Ground Lease and Lease Agreement. Each of the Corporation and the District shall faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Ground Lease and the Lease Agreement required to be complied with, kept, observed and performed by it and, together with the Trustee, shall enforce the Ground Lease and the Lease Agreement against the other party thereto in accordance with their respective terms.

Section 6.03. Observance of Laws and Regulations. The Corporation, the District and the Trustee shall faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Section 6.04. Other Liens. The District shall keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, other than Permitted Encumbrances, and free from any claim or liability that materially impairs the District in conducting its business or utilizing the Property, and the Trustee at its option (after first giving the District ten days' written notice to comply therewith and failure of the District to so comply within such ten-day period) may defend against any and all actions or proceedings, or may pay or, with the written consent of the Insurer, compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the District from liability for or on account of any of its agreements and covenants contained herein, or from its obligation hereunder to perform such agreements and covenants. The Trustee shall have no liability with respect to any determination made in good faith to proceed or decline to defend, pay or compromise any such claim or demand.

So long as any Certificates are Outstanding, neither the Trustee nor the District shall create or suffer to be created any pledge of or lien on the amounts on deposit in any of the funds or accounts created hereunder, other than the pledge and lien hereof.

The Trustee shall not encumber the Property other than in accordance with the Ground Lease, the Lease Agreement, this Trust Agreement and the Assignment Agreement.

Section 6.05. Prosecution and Defense of Suits. The District shall promptly, upon request of the Trustee, the Insurer or any Owner, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Property or any part thereof, whether now existing or hereafter developing, shall prosecute all actions, suits or other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee, the Insurer and every Owner harmless from all cost, damage, expense or loss, including attorneys' fees, that they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

Section 6.06. Recordation. The District shall record, or cause to be recorded, with the San Bernardino County Recorder, the Lease Agreement, the Ground Lease and the Assignment Agreement, or memoranda thereof.

Section 6.07. Tax Covenants. (a) The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest evidenced by the Certificates under Section 103 of the Code. Without limiting the generality of the foregoing, the District shall comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Certificates.

(b) In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established hereunder, the District shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the District shall provide to the Trustee an Opinion of Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest evidenced by the Certificates, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 6.08. Continuing Disclosure. Each of the District and the Trustee shall comply with and carry out all of the provisions of the Continuing Disclosure Agreement applicable to it. Notwithstanding any other provision of this Trust Agreement, failure of the District or the Trustee to comply with the Continuing Disclosure Agreement shall not constitute an Event of Default hereunder; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the Owners of at least 25% of the aggregate amount of principal evidenced by Outstanding Certificates and upon being indemnified to its reasonable satisfaction, shall) or any Owner or Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 6.09. No Liability by the Corporation to the Owners. The Corporation shall not have any obligation or liability to the Owners with respect to the payment when due of the Base Rental Payments by the District, or with respect to the performance by the District of the

other agreements and covenants required to be performed by it contained in the Lease Agreement, the Ground Lease or herein, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

Section 6.10. No Liability by the District to the Owners. Except for the payment when due of the Base Rental Payments and the performance of the other agreements and covenants required to be performed by it contained in the Lease Agreement, the Ground Lease or herein, the District shall not have any obligation or liability to the Owners with respect to the Trust Agreement or the preparation, execution, delivery or transfer of the Certificates or the disbursement of the Base Rental Payments by the Trustee to the Owners, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

Section 6.11. No Liability of the Trustee to the Owners. Except as expressly provided herein, the Trustee shall not have any obligation or liability to the Owners with respect to the payment when due of the Base Rental Payments by the District, or with respect to the performance by the Corporation or the District of the other agreements and covenants required to be performed by them, respectively, contained in the Lease Agreement, the Ground Lease or herein.

Section 6.12. Further Assurances. Whenever and so often as requested to do so by the Trustee, the Insurer or any Owner, the Corporation and the District shall promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee, the Insurer and the Owners all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them hereby or by the Assignment Agreement, the Ground Lease or the Lease Agreement.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Action on Default. If a Lease Default Event shall occur and be continuing, such Lease Default Event shall constitute an Event of Default hereunder. In each and every case during the continuance of an Event of Default, the Trustee (a) may, with the prior written consent of the Insurer, at the direction of the Owners of not less than a majority of the aggregate principal evidenced by Certificates then Outstanding, and (b) shall, upon being indemnified to its reasonable satisfaction, so long as the Insurer is not in default in its payment obligations under the Insurance Policy, at the direction of the Insurer, upon notice in writing to the District and the Corporation, exercise any of the remedies granted to the Corporation under the Lease Agreement and, in addition, with the written consent or at the written direction of the Insurer, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the Owners by this Trust Agreement or by the Certificates, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in Section 7.02 hereof.

Section 7.02. Other Remedies of the Trustee. If an Event of Default shall have occurred and be continuing, the Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any member, director, officer or employee thereof, and to compel the District or any such member, director, officer or employee to perform or carry out such Person's duties under law and the agreements and covenants required to be performed by such Person contained herein;

(b) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Trustee or the Owners; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the District to account as if it were the trustee of an express trust.

Section 7.03. Non-Waiver. So long as the Insurer is not in default in its payment obligations under the Insurance Policy, the Trustee shall not waive any default or breach of duty or contract hereunder without the prior written consent of the Insurer. A waiver of any default or breach of duty or contract by the Trustee shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often the Trustee shall deem expedient.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee, the Insurer or any Owner, then subject to any adverse determination, the Trustee, the Insurer, such Owner, the Corporation and the District shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 7.04. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 7.05. Application of Amounts After Event of Default. If an Event of Default shall occur and be continuing, all payments received by the Trustee with respect to the rental of the Property as a result thereof, including any proceeds received in connection with the sale, assignment or sublease of the Corporation's right, title and interest in the Ground Lease, and all damages or other payments received by the Trustee for the enforcement of any rights and powers of the Trustee under Article VII of the Lease Agreement, shall be deposited into the Base Rental Payment Fund and as soon as practicable thereafter applied:

- (a) to the payment of all amounts due the Trustee under Section 8.07 hereof;
- (b) to the payment of all amounts then due for interest evidenced by the Certificates, in respect of which, or for the benefit of which, money has been collected (other than Certificates that have become payable prior to such Event of Default and money for the payment of which is held by the Trustee), ratably without preference or priority of any kind, according to the amounts of interest evidenced by such Certificates due and payable;
- (c) to the payment of all amounts then due for principal evidenced by the Certificates, in respect of which, or for the benefit of which, money has been collected (other than Certificates that have become payable prior to such Event of Default and money for the payment of which is held by the Trustee), ratably without preference or priority of any kind, according to the amounts of principal evidenced by such Certificates due and payable; and
- (d) to the extent not included in clause (b) or clause (c) above, to the payment of all amounts then due hereunder to the Insurer and to any issuer of a Reserve Facility.

Section 7.06. Trustee May Enforce Claims Without Possession of Certificates. All rights of action and claims under this Trust Agreement or the Certificates may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances

of the Trustee, its agents and counsel, be for the ratable benefit of the Owners of the Certificates in respect of which such judgment has been recovered.

Section 7.07. Limitation on Suits. No Owner of any Certificate shall have any right to institute any proceeding, judicial or otherwise, with respect to this Trust Agreement, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (a) such Owner shall have previously given written notice to the Trustee of a continuing Event of Default, (b) so long as the Insurer is not in default in its payment obligations under the Insurance Policy, such Owner shall have obtained the Insurer's consent to such institution or appointment, (c) the Owners of not less than 25% of the aggregate amount of principal evidenced by Certificates then Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder, (d) such Owner or Owners shall have afforded to the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, (e) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceedings, and (f) no direction inconsistent with such written request shall have been given to the Trustee during such 60 day period by the Owners of a majority of the aggregate amount of principal evidenced by Certificates then Outstanding; it being understood and intended that no one or more Owners of Certificates shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Trust Agreement to affect, disturb or prejudice the rights of any other Owner of Certificates, or to obtain or seek to obtain priority or preference over any other Owner or to enforce any right under this Trust Agreement, except in the manner herein provided and for the equal and ratable benefit of all the Owners of Certificates.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Duties and Liabilities of Trustee. The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default that may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Trust Agreement. The Trustee shall, during the existence of any Event of Default that has not been cured or waived, exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

Section 8.02. Qualifications; Removal and Resignation; Successors. (a) The Trustee initially a party hereto and any successor thereto shall at all times be a trust company, national banking association or bank having trust powers in good standing in or incorporated under the laws of the United States or any state thereof, that is (or if such trust company, national banking association or bank is a member of a bank holding company system, its parent bank holding company is) (i) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (ii) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (iii) otherwise approved by the Insurer in writing. If such trust company, national banking association or bank publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection the combined capital and surplus of such trust company, national banking association or bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) The District may, by an instrument in writing, upon at least 30 days' notice to the Trustee, remove the Trustee initially a party hereto and any successor thereto unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee initially a party hereto and any successor thereto if at any time (i) requested to do so by the Insurer (as long as the Insurer is not in default in its payment obligations under the Insurance Policy) or by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority of the aggregate amount of principal evidenced by the Certificates at the time Outstanding (or their attorneys duly authorized in writing), or (ii) the Trustee shall cease to be eligible in accordance with subsection (a) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee.

(c) The Trustee may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the District, the Corporation and the Insurer, and to the Owners at the respective addresses shown on the Registration Books. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of subsection (a) of this Section, the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(d) Upon removal or resignation of the Trustee, the District shall promptly appoint a successor Trustee by an instrument in writing, which appointment shall be subject to the prior written approval of the Insurer. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that any successor Trustee shall be qualified as provided in subsection (a) of this Section. If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following notice of removal or notice of resignation as aforesaid, the removed or resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Trust Agreement shall signify its acceptance of such appointment by executing and delivering to the District, the Corporation and its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the written request of the District, the Corporation or the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Trust Agreement and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the successor Trustee shall, within 15 days after such acceptance, mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to the Owners at the addresses shown on the Registration Books.

(e) Any trust company, national banking association or bank into which the Trustee may be merged or converted or with which it may be consolidated or any trust company, national banking association or bank resulting from any merger, conversion or consolidation to which it shall be a party or any trust company, national banking association or bank to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such trust company, national banking association or bank shall be eligible under subsection (a) of this Section, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liabilities of the Trustee. (a) The recitals of facts herein shall be taken as statements of the District, and the Trustee shall not assume responsibility for the correctness of the same. The Trustee shall, however, be responsible for its representations contained in the Certificates.

(b) The Trustee makes no representations as to the validity or sufficiency of this Trust Agreement, the Lease Agreement or the Ground Lease, or of the assignment made to it by the Assignment Agreement, or in respect of the security afforded by this Trust Agreement, and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to (i) the delivery of the Certificates for value, (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee,

or (iii) the application of any moneys paid to the District or others in accordance with this Trust Agreement, except as to the application of any moneys paid to it in its capacity as Trustee.

(c) The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(d) No provision of this Trust Agreement or any other document related hereto shall require the Trustee to risk or advance its own funds.

(e) The Trustee may execute any of its powers or duties hereunder through attorneys, agents or receivers and shall not be answerable for the actions of such attorneys, agents or receivers if selected by it with reasonable care.

(f) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(g) The immunities and protections extended to the Trustee also extend to its directors, officers, employees and agents.

(h) Before taking action under Article VII, under this Article or upon the direction of the Owners, the Trustee may require indemnity satisfactory to the Trustee be furnished to it to protect it against all fees and expenses, including those of its attorneys and advisors, and protect it against all liability it may incur.

(i) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate amount of principal evidenced by the Certificates at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

(j) The Trustee may become the Owner of Certificates with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in aggregate amount of principal evidenced by the Certificates then Outstanding.

(k) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Certificates.

(l) The Trustee shall not be liable for the failure to take any action required to be taken by it hereunder if and to the extent that the Trustee's taking such action is prevented by reason of an act of God, terrorism, war, riot, strike, fire, flood, earthquake, epidemic or other, similar occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care.

(m) The Trustee shall not be deemed to have knowledge of an Event of Default hereunder unless it has actual knowledge thereof.

(n) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

(o) The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys that shall be released or withdrawn in accordance with the provisions hereof.

Section 8.04. Right to Rely on Documents and Opinions. (a) The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Whenever in the administration of the duties imposed upon it by this Trust Agreement, the Trustee shall deem 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 be deemed to be conclusively proved and established by a Written Certificate of the District, and such Written Certificate of the District shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Trust Agreement in reliance upon such Written Certificate of the District, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

(c) The Trustee may consult with counsel, who may be counsel to the District or the Corporation, 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.

Section 8.05. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with prudent corporate trust industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of the Certificates, the Base Rental Payments received by it and all funds and accounts established by it pursuant to this Trust Agreement. Such books of record and account shall be available for inspection by the District, the Corporation and the Insurer during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee. The Trustee shall deliver to the District a monthly accounting of the funds and accounts it holds under this Trust Agreement; provided, however, that the Trustee shall not be obligated to deliver an accounting for any fund or account that (a) has a balance of zero, and (b) has not had any activity since the last reporting date.

Section 8.06. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Trust Agreement shall be retained in its possession and shall be subject during business hours and upon reasonable notice to the inspection of the District, the Corporation, the Owners and their agents and representatives duly authorized in writing.

Section 8.07. Compensation and Indemnification. The District shall pay to the Trustee from time to time all reasonable compensation pursuant to a pre-approved fee letter for all services rendered under this Trust Agreement, and also all reasonable expenses, charges, legal and consulting fees pursuant to a pre-approved fee letter and other disbursements pursuant to a pre-approved fee letter and those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Trust Agreement. The District shall, to the extent permitted by law, indemnify and save the Trustee harmless against any costs, claims, expenses, including fees and expenses of its counsel, and liabilities that it may incur in the exercise and performance of its powers and duties hereunder, including the enforcement of any remedies and the defense of any suit, and that are not due to its negligence or its willful misconduct. The duty of the District to indemnify the Trustee shall survive the resignation or removal of the Trustee and the termination and discharge of this Trust Agreement.

ARTICLE IX

AMENDMENT OF OR SUPPLEMENT TO TRUST AGREEMENT

Section 9.01. Amendment or Supplement. (a) This Trust Agreement and the rights and obligations of the District, the Corporation, if any, the Owners and the Trustee hereunder may be amended or supplemented at any time by an amendment hereof or supplement hereto, which shall become binding when the prior written consents of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy) and the Owners of a majority of the aggregate amount of principal evidenced by the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 9.02 hereof, are filed with the Trustee. No such amendment or supplement shall (i) extend the stated Principal Payment Date of any Certificate or reduce the rate of interest applicable to the interest evidenced thereby or extend the time of payment of such interest or reduce the amount of principal evidenced thereby or reduce the amount of any Mandatory Sinking Account Payment or change the prepayment terms and provisions or the provisions regarding delivery of notice of prepayment without the prior written consent of the Owner of each Certificate so affected and the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy), (ii) permit any pledge of, or the creation of any lien on, security interest in or charge or other encumbrance upon the assets pledged under this Trust Agreement prior to or on a parity with the pledge contained in, and the lien and security interest created by, this Trust Agreement or deprive the Owners of the pledge contained in, and the lien and security interest created by, this Trust Agreement, except as expressly provided in this Trust Agreement, without the consent of the Owners of all of the Certificates then Outstanding and the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy), (iii) modify any of the rights or obligations of the Trustee without the prior written consent of the Trustee, or (iv) amend this Section without the prior written consent of the Owners of all Certificates then Outstanding and the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy).

(b) This Trust Agreement and the rights and obligations of the District, the Corporation, if any, the Owners and the Trustee hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto, which shall become binding upon execution, with the prior written consent of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy), but without the written consents of any Owners and only for any one or more of the following purposes:

(i) to add to the agreements, conditions, covenants and terms required by the District to be observed or performed herein other agreements, conditions, covenants and terms thereafter to be observed or performed by the District, or to surrender any right or power reserved herein to or conferred herein on the District;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder that the District may deem desirable or necessary and not inconsistent herewith;

(iii) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of interest evidenced by the Certificates; or

(iv) for any other reason, provided such amendment or supplement does not adversely affect the rights or interests of the Owners.

The Trustee is not obligated to enter into any amendment or supplement that adversely affects the rights or obligations of the Trustee.

The Insurer shall be provided with a full original transcript of all proceedings relating to the amendment of or supplement to this Trust Agreement pursuant to this Section.

(c) Promptly after the execution by the Corporation, the District and the Trustee of any amendment of or supplement to this Trust Agreement, the Trustee shall mail a notice, by first class mail postage prepaid, setting forth in general terms the substance of such amendment or supplement, to the Owners at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment or supplement.

Section 9.02. Disqualified Certificates. Certificates owned or held by or for the account of the District, but excluding Certificates held in any pension or retirement fund of the District, shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Certificates provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article, and the Trustee may adopt appropriate regulations to require each Owner, before its consent provided for herein shall be deemed effective, to reveal if the Certificates as to which such consent is given are disqualified as provided in this Section.

Section 9.03. Endorsement or Replacement of Certificates After Amendment or Supplement. After the effective date of any action taken as hereinabove provided in this Article, the Trustee may determine that the Certificates may bear a notation by endorsement in form approved by the Trustee as to such action, and in that case upon demand of the Owner of any Outstanding Certificate and presentation of such Certificate for such purpose at the Principal Office of the Trustee a suitable notation as to such action shall be made on such Certificate. If the Trustee shall receive an Opinion of Counsel advising that new Certificates modified to conform to such action are necessary, modified Certificates shall be prepared, and in that case upon demand of the Owner of any Outstanding Certificates such new Certificates shall be exchanged at the Principal Office of the Trustee without cost to each Owner for Certificates then Outstanding upon surrender of such Outstanding Certificates.

Section 9.04. Amendment by Mutual Consent. Subject to the receipt of the prior written consent of the Insurer as provided in Section 9.01 hereof, the provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Certificates owned by such Owner, provided that due notation thereof is made on such Certificates.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Trust Agreement. (a) If there shall be paid (i) to the Owners of all Outstanding Certificates the principal, interest and premium, if any, evidenced thereby at the times and in the manner stipulated herein and therein, and (ii) all other amounts due hereunder and under the Lease Agreement, then the Owners shall cease to be entitled to the pledge of the assets provided for herein, and all agreements, covenants and other obligations of the Corporation and the District hereunder shall thereupon cease, terminate and become void and this Trust Agreement shall be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Corporation and the District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the District all money or securities held by it pursuant hereto that are not required for the payment of the principal, interest and premium, if any, evidenced by the Certificates.

(b) Subject to the provisions of subsection (a) of this Section, when any Certificate shall have been paid and if, at the time of such payment, each of the Corporation and the District shall have kept, performed and observed all of the covenants and promises in this Trust Agreement and the Lease Agreement required or contemplated to be kept, performed and observed by it or on its part on or prior to that time, then this Trust Agreement shall be considered to have been discharged in respect of such Certificate and such Certificate shall cease to be entitled to the pledge of the assets provided herein, and all agreements, covenants and other obligations of the Corporation and the District hereunder shall cease, terminate, become void and be completely discharged and satisfied as to such Certificate.

(c) Notwithstanding the discharge and satisfaction of this Trust Agreement or the discharge and satisfaction of this Trust Agreement in respect of any Certificate, those provisions of this Trust Agreement relating to the payment of the principal, interest and premium, if any, evidenced by Certificates, exchange and transfer of Certificates, replacement of mutilated, destroyed, lost or stolen Certificates, the safekeeping and cancellation of Certificates, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners of such Certificate, and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal, interest and premium, if any, evidenced by such Certificate, and to pay to the Owner of such Certificate the funds so held by the Trustee as and when such payment becomes due.

Section 10.02. Certificates Deemed To Have Been Paid. (a) If moneys shall have been set aside and held by the Trustee for the payment or prepayment of the principal evidenced by any Certificate and the payment of the interest evidenced thereby to the stated Principal Payment Date or prepayment date thereof, such Certificate shall be deemed to have been paid within the meaning and with the effect provided in Section 10.01 hereof. Any Outstanding Certificate shall prior to its stated Principal Payment Date or the prepayment date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 10.01 hereof if (i) in case any of such Certificates is to be prepaid on any date prior to its stated Principal Payment Date, the District shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 4.03 hereof, notice of prepayment of such Certificate on

said prepayment date, said notice to be given in accordance with Section 4.03 hereof, (ii) there shall have been deposited with the Trustee either (A) money in an amount that shall be sufficient, or (B) Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys that shall be sufficient to pay when due the interest evidenced by such Certificate to become due on and prior to its stated Principal Payment Date or the prepayment date thereof, as the case may be, and the principal and premium, if any, evidenced by such Certificate, and (iii) in the event such Certificate is not by its terms subject to prepayment within the next succeeding 60 days, the District shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owner of such Certificate that the deposit required by clause (ii) above has been made with the Trustee and that such Certificate is deemed to have been paid in accordance with this Section and stating stated Principal Payment Date or prepayment date upon which money is to be available for the payment of the principal and premium, if any, evidenced by such Certificate.

(b) No Certificate shall be deemed to have been paid pursuant to clause (ii) of subsection (a) of this Section unless (i) all amounts currently due to the Insurer under the Insurance Policy and to the Reserve Insurer under the Reserve Policy shall have been paid in full, and (ii) the District shall have caused to be delivered to the District and the Trustee (A) an executed copy of a Verification Report with respect to such deemed payment, addressed to the District, the Insurer and the Trustee, in form and in substance acceptable to the District and the Insurer, (B) a copy of the escrow agreement entered into in connection with the deposit pursuant to clause (ii)(B) of subsection (a) of this Section resulting in such deemed payment, which escrow agreement shall provide that no substitution of Defeasance Securities shall be permitted except with other Defeasance Securities and upon delivery of a new Verification Report and no reinvestment of Defeasance Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report, in form and substance acceptable to the Insurer, and (C) a copy of an Opinion of Counsel, dated the date of such deemed payment and addressed to the District, the Insurer and the Trustee, in form and in substance acceptable to the District and the Insurer, to the effect that such Certificate has been paid within the meaning and with the effect expressed in this Trust Agreement, this Trust Agreement has been discharged in respect of such Certificate and all agreements, covenants and other obligations of the District and the Corporation hereunder as to such Certificate have ceased, terminated, become void and been completely discharged and satisfied. In the event a forward purchase agreement is to be employed in connection with the Defeasance Securities purchased to defease Certificates, such agreement shall be subject to the approval of the Insurer and shall be accompanied by such opinions of counsel as may be required by the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than three Business Days prior to the funding of the escrow.

Section 10.03. Unclaimed Moneys. Any moneys held by the Trustee in trust for the payment and discharge of the principal, premium or interest evidenced by any of the Certificates that remain unclaimed for the earlier of (a) two years after the date when such principal, premium or interest has become payable, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such principal, premium or interest become payable, or (b) two months prior to the applicable statutory escheat period shall, at the Written Request of the District be repaid by the Trustee to the District as its absolute property free from trust, and the Trustee shall thereupon be released and

discharged with respect thereto and the Owners shall look only to the District for the payment of the interest and principal evidenced by such Certificates.

ARTICLE XI

INSURANCE POLICY AND RESERVE POLICY PROVISIONS

Section 11.01. Insurer To Be Deemed Owner; Rights of the Insurer; Payments by the Insurer; Notices. (a) The provisions of this Article shall apply notwithstanding any other provision of this Trust Agreement to the contrary so long as the Insurer is not in default in its payment obligations under the Insurance Policy.

(b) The Insurer shall at all times be deemed the sole and exclusive Owner of the Outstanding Certificates for the purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies, including approval of or consent to any amendment of or supplement to this Trust Agreement that requires the consent or approval of the Owners of a majority of the aggregate principal evidenced by the Certificates then Outstanding; provided, however, that the Insurer shall not be deemed to be the sole and exclusive Owner of the Outstanding Certificates with respect to any amendment of or supplement to this Trust Agreement that seeks to amend or supplement this Trust Agreement for the purposes set forth in clauses (i), (ii) or (iv) of subsection (a) of Section 9.01 hereof, and, provided, further, that the Insurer shall not be deemed the sole and exclusive Owner of the Outstanding Certificates with respect to any amendment of or supplement to this Trust Agreement, and shall not have the right to direct or consent to District, Corporation, Trustee or Owner action as provided herein, if:

(i) the Insurer shall be in payment default under the Insurance Policy and such failure shall continue for three Business Days;

(ii) any material provision of the Insurance Policy shall be held to be invalid by a final, non-appealable order of a court of competent jurisdiction, or the validity or enforceability thereof shall be contested in writing by the Insurer; or

(iii) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect of the Insurer under Article 16 of the Insurance Law of the State of New York or any successor provision thereto and such proceeding is not terminated for a period of 90 consecutive days or such court enters an order granting the relief sought in such proceeding.

(c) To the extent that the Insurer makes payment of any interest or principal evidenced by a Certificate, it shall become the Owner of such portion of such Certificate and the right to receive payment of such interest or principal and shall be fully subrogated to all of the Owner's rights thereunder in accordance with the terms of the Insurance Policy to the extent of such payment, including the Owner's rights to payment thereof, which subrogation rights shall include the rights of any such Owner in connection with any Insolvency Proceeding. To evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee shall note the Insurer's rights as subrogee on the Registration Books upon receipt of proof from the Insurer as to payment of such interest to the Owner of the Certificate evidencing such interest, and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note the Insurer's rights

as subrogee on the Registration Books upon surrender of the Certificate evidencing such principal by the Owner thereof to the Trustee.

(d) In the event that the interest or principal evidenced by a Certificate shall be paid by the Insurer pursuant to the terms of the Insurance Policy, (i) such Certificate shall continue to be Outstanding under this Trust Agreement, (ii) the pledge of the amounts on deposit in the funds and accounts established hereunder and all covenants, agreements and other obligations of the District hereunder and under the Lease Agreement shall continue to exist, (iii) the Insurer shall be fully subrogated to all of the rights of such Owner in accordance with the terms and conditions of subsection (c) of this Section and the Insurance Policy, and (iv) neither this Trust Agreement nor the Lease Agreement shall be discharged unless and until all amounts due to the Insurer have been paid in full.

(e) If an Event of Default shall have occurred and be continuing, the Insurer may, regardless of whether a claim has been made under the Insurance Policy, at any time and at its sole option, pay to the Owners all or any portion of the interest or principal evidenced by the Certificates then due, prior to the stated Principal Payment Dates thereof; provided, however, that such payment by the Insurer shall not accelerate the District's obligation to make Rental Payments under the Lease Agreement. The Trustee shall accept such payments on behalf of the Owners and the Insurer's obligations under the Insurance Policy shall be discharged to the extent of such payments.

(f) The Insurer shall be notified (i) by the District at least 30 days, or such lesser time as agreed by the Insurer, in advance of the execution of any amendment of or supplement to this Trust Agreement and of any amendment of the Lease Agreement or the Ground Lease in the event consent of the Owners is not required for such amendment or supplement, (ii) by the Trustee within two Insurance Business Days of the Trustee's having knowledge of the occurrence of any Event of Default, and (iii) by the Trustee of any prepayment of Certificates, which notice shall include the principal evidenced by, and the CUSIP numbers of, such Certificates to be prepaid, at the same time that the Owners of the Certificates to be prepaid are notified. In addition, all notices, reports, certificates and opinions (i) to be delivered to or by the Trustee or to the Owners or available at the request of the Owners pursuant to this Trust Agreement, or (ii) to be delivered by the District pursuant to the Lease Agreement or the Assignment Agreement shall also be delivered to the Insurer.

(g) The Trustee shall also notify the Insurer (i) immediately, upon the withdrawal of amounts on deposit in the Reserve Fund, other than amounts comprising investment earnings thereon that may be withdrawn in accordance with the terms of this Trust Agreement, upon a claim being made under any Reserve Facility or upon the determination that a deficiency in the Reserve Fund exists as a result of fluctuations in the market value of investments held therein, and (ii) immediately upon the resignation or removal of the Trustee or the appointment of a successor Trustee.

(h) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Certificates may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(i) Subject to and conditioned upon payment of any interest or principal evidenced by the Certificates by or on behalf of the Insurer, each Owner, by its purchase of Certificates, hereby assigns to the Insurer, but only to the extent of all payments made by the Insurer, all rights to the payment of interest or principal evidenced by the Certificates, including, without limitation, any amounts due to the Owners in respect of securities law violations arising from the offer and sale of the Certificates that are then due for payment. The Insurer may exercise any option, vote, right, power or the like with respect to Certificates to the extent it has made a payment of principal evidenced by Certificates pursuant to the Insurance Policy. The foregoing assignment is in addition to, and not in limitation of, rights of subrogation otherwise available to the Insurer in respect of such payments. The Trustee shall take such action and deliver such instruments as may be reasonably requested or required by the Insurer to effectuate the purpose or provisions of this subsection.

(j) The Insurer shall have the right to advance any payment required to be made by the District in order to prevent an Event of Default under this Trust Agreement and the Trustee shall be required to accept such advance. The District shall, upon demand, reimburse the Insurer for any such advance.

(k) The rights granted under this Trust Agreement, the Lease Agreement or the Ground Lease to the Insurer to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit of or on behalf of the Owners, nor does such action evidence any position of the Insurer, positive or negative, as to whether Owner consent is required in addition to consent of the Insurer.

(l) The District hereby agrees, to the extent permitted by law, to pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in this Trust Agreement, the Lease Agreement, the Ground Lease or the Assignment Agreement, (ii) the pursuit of any remedies under this Trust Agreement, the Lease Agreement, the Ground Lease or the Assignment Agreement, or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, this Trust Agreement, the Lease Agreement, the Ground Lease or the Assignment Agreement, whether or not executed or completed, or (iv) any litigation or other dispute in connection with this Trust Agreement, the Lease Agreement, the Ground Lease or the Assignment Agreement, or the transactions contemplated hereby or thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Trust Agreement, the Lease Agreement, the Ground Lease or the Assignment Agreement. The failure of the District to pay such costs and expenses on a timely basis shall result in the accrual of interest on the unpaid amount at the Insurer Rate, compounded semi-annually, from the date that payment is first due to the Insurer until the date the Insurer is paid in full.

(m) The Insurer shall be entitled to pay principal or interest evidenced by the Certificates that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the District (as such terms are defined in the Insurance Policy) thereof in accordance with this

Trust Agreement, whether or not the Insurer has received a Notice (as defined in the Insurance Policy) of Nonpayment or a claim upon the Insurance Policy.

(n) The Trustee shall promptly notify the Insurer of either of the following as to which it has actual knowledge: (i) the commencement of any proceeding by or against the District or the Corporation commenced under the United States Bankruptcy Code or any successor statute or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”), and (ii) the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer (a “Preference Claim”) of any payment of interest or principal evidenced by the Certificates. Each Owner, by its purchase of Certificates, and the Trustee hereby agrees that the Insurer may at any time during the continuation of an Insolvency Proceeding direct all matters relating to such Insolvency Proceeding, including, without limitation, (i) all matters relating to any Insolvency Proceeding or Preference Claim, (ii) the direction of any appeal of any order relating to any Insolvency Proceeding or Preference Claim, (iii) the posting of any surety, supersedes or performance bond pending any such appeal, and (iv) to accept or reject any plan of adjustment. In addition, the Trustee, solely with respect to the Certificates, and each Owner delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Owner in the conduct of any Insolvency Proceeding, including, without limitation, any rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Insolvency Proceedings.

(o) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Trust Agreement would adversely affect the security for the Certificates or the rights of the Owners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(p) Any reorganization or liquidation plan with respect to the District must be acceptable to the Insurer. In the event of any such reorganization or liquidation, the Insurer shall have the right to vote on behalf of all Owners (so long as the Insurer is not in default in its payment obligations under the Insurance Policy).

(q) The District shall permit the Insurer to discuss the affairs, finances and accounts of the District or any information the Insurer may reasonably request regarding the security for the Certificates with appropriate officers of the District and shall use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the District on any Business Day upon reasonable prior notice.

(r) The obligations set forth in subsections (l) and (n) of this Section shall survive discharge or termination of this Trust Agreement and the Lease Agreement.

Section 11.02. Deposits to Policy Payments Account; Payments Under the Insurance Policy. (a) So long as the Insurance Policy shall be in full force and effect, the District and the Trustee hereby agree to comply with the provisions of this Section.

(b) If, on the third Insurance Business Day prior to a Principal Payment Date, Mandatory Sinking Account Payment Date or Interest Payment Date there is not on deposit with the Trustee, after making all transfers and deposits required under the Trust Agreement, moneys

sufficient to pay the interest or principal evidenced by the Certificates due on such Principal Payment Date, Mandatory Sinking Account Payment Date or Interest Payment Date, the Trustee shall give notice to the Insurer and to the Insurer's Fiscal Agent (if any) by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Insurance Business Day. If, on the second Insurance Business Day prior to such Principal Payment Date, Mandatory Sinking Account Payment Date or Interest Payment Date, there continues to be a deficiency in the amount available to pay the interest or principal evidenced by the Certificates due on such Principal Payment Date, Mandatory Sinking Account Payment Date or Interest Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay the interest evidenced by the Certificates and the amount required to pay principal evidenced by the Certificates, confirmed in writing to the Insurer and the Insurer's Fiscal Agent (if any) by 12:00 noon, New York City time, on such second Insurance Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

(c) The Trustee shall designate any portion of principal evidenced by Certificates paid by the Insurer, whether by virtue of the Mandatory Sinking Account Payment Date, the stated Principal Payment Date or the Insurer's election to pay said amounts prior to the stated Principal Payment Date pursuant to subsection (f) of Section 11.01 hereof, on its books as a reduction in the principal evidenced by Certificates registered to the then current Owners, whether DTC or its nominee or otherwise, and shall issue a replacement Certificate to the Insurer, registered in the name of [Insurer], evidencing principal in an amount equal to the principal so paid (without regard to Authorized Denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Certificate shall have no effect on the amount of principal or interest evidenced by any Certificate payable by the District or the subrogation rights of the Insurer.

(d) The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of the interest and principal evidenced by any Certificate. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners known as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Owners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners in the same manner as payments of interest and principal evidenced by the Certificates are to be made with respect to the Certificates under the provisions hereof. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to make payments of interest and principal with other funds available to make such payments.

If, as a result of the District's non-payment, when due, of all or a portion of a Base Rental Payment (other than a non-payment caused by an abatement of Rental Payments pursuant to Section 3.06 of the Lease Agreement), the Insurer has paid interest or principal evidenced by the

Certificates pursuant to the Insurance Policy (i) the first of Base Rental Payments thereafter received from the District under the Lease Agreement that are not required to be paid to the Reserve Insurer pursuant to subsection (f) of Section 5.05 hereof, and (ii) the interest payable with respect to such delinquent Base Rental Payments, calculated at the Insurer Rate as provided in Section 3.04 of the Lease Agreement, shall be paid to the Insurer, as the Owner of the Certificates (or portions thereof) evidencing such delinquent Base Rental Payment in repayment of such payment by the Insurer until such payment is paid in full. If, as a result of the District's non-payment of all or a portion of a Base Rental Payment (which non-payment is caused by an abatement of Rental Payments pursuant to Section 3.06 of the Lease Agreement), the Insurer has paid interest or principal evidenced by the Certificates pursuant to the Insurance Policy, the Insurer, as the Owner of the Certificates (or portions thereof) representing such abated Base Rental Payment, shall be entitled to receive, during the extension of the term of the Lease Agreement provided for in Section 2.02 of the Lease Agreement, any amounts paid in respect of such abated and unpaid Base Rental Payment pursuant to subsection (b) of Section 3.01 and Section 3.04 of the Lease Agreement that are not required to be paid to the Reserve Insurer pursuant to subsection (f) of Section 5.05 hereof. Any such payment by the District pursuant to this Section shall be applied first to the interest component of such delinquent Base Rental Payment due the Insurer and second to the principal components of such delinquent Base Rental Payment due the Insurer.

(e) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Principal Payment Date, Mandatory Sinking Account Payment Date or Interest Payment Date shall promptly be remitted to the Insurer.

Section 11.03. Reporting Requirements. (a) The District shall provide to the Insurer (i) within 180 days after the end of each fiscal year of the District, a Written Certificate of the District certifying that the District is not aware of any Lease Default Event or of any default hereunder or under the Lease Agreement, (ii) within 180 days after the end of each fiscal year of the District, audited financial statements for such fiscal year, (iii) within 30 days after the approval thereof, each annual budget of the District, and (iv) from time to time, such other information, data or reports as the Insurer may reasonably request.

(b) The Trustee shall provide the Insurer with notice of any Event of Default or any default hereunder or under the Lease Agreement within five Business Days of obtaining knowledge thereof. The District shall provide the Insurer with notice of any Lease Default Event or default hereunder or under the Lease Agreement within five Business Days of obtaining knowledge thereof.

(c) The District shall provide the Insurer with prior notice of the advance refunding or prepayment of any of the Certificates, including the principal amount, maturities and CUSIP numbers thereof.

(d) The District shall provide the Insurer with notice of the resignation or removal of the Trustee or the Depository, and the appointment of, and acceptance of duties by, any successor thereto.

(e) Each of the District and the Trustee agrees that it will, if it has actual knowledge thereof, promptly notify the Insurer of (i) the commencement of any Insolvency Proceeding by or against the District, and (ii) the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal or interest evidenced by the Certificate.

(f) The Trustee shall, at the time any report, notice or correspondence is delivered to Owners of the Certificates pursuant to the provisions hereof, deliver a copy of such report, notice or correspondence to the Insurer.

(g) The District shall provide the Insurer with all information furnished pursuant to the Continuing Disclosure Agreement simultaneously with the furnishing of such information.

(h) The Trustee shall notify the Insurer of any failure of the District to provide notices, certificates and other information under this Trust Agreement or the Lease Agreement.

Section 11.04. Reserve Policy Provisions. (a) As long as the Reserve Policy shall be in full force and effect, the Trustee agrees to comply with the following provisions:

(b) If, on the fifth Insurance Business Day prior to a Principal Payment Date, Mandatory Sinking Account Payment Date or Interest Payment Date moneys on deposit in the Base Rental Payment Fund, the Interest Fund and/or the Principal Fund, as applicable, plus all amounts on deposit in and credited to the Reserve Fund in excess of the amount of the Reserve Policy, are insufficient to pay the amount of principal and interest coming due, the Trustee shall give notice to the Reserve Insurer by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day.

(c) The District hereby agrees, to the extent permitted by law, to pay or reimburse the Reserve Insurer any and all charges, fees, costs and expenses that the Reserve Insurer may reasonably pay or incur, including fees and expenses of attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with any actions taken to facilitate payments under the Reserve Policy or the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Trust Agreement or the Lease Agreement. For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation with the actions described in the preceding sentence. The District agrees that failure to pay such costs and expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Insurer Rate, compounded semi-annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve Insurer is paid in full. The obligations set forth in this subsection shall survive discharge or termination of this Trust Agreement and the Lease Agreement.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Benefits of Trust Agreement. Nothing contained herein, expressed or implied, is intended to give to any person other than the Trustee, the Corporation, the District, the Insurer, the Reserve Insurer and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term required herein to be observed or performed by or on behalf of the District or the Corporation shall be for the sole and exclusive benefit of the Trustee, the Corporation, the District, the Insurer, the Reserve Insurer and the Owners.

Section 12.02. Successor Deemed Included in all References to Predecessor. Whenever the Trustee, the Corporation or the District, or any officer thereof, is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Trustee, the Corporation or the District, or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the Trustee, the Corporation or the District, or any officer thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 12.03. Execution of Documents by Owners. (a) Any declaration, request or other instrument that is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or such Owner's attorney of any declaration, request or other instrument or of any 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 or territory in which he purports to act that the person signing such declaration, request 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, or by such other proof as the Trustee may accept that it may deem sufficient.

(b) The ownership of any Certificates and the amount, payment date, number and date of owning the same may be proved by the Registration Books.

(c) Any declaration, request or other instrument in writing of the Owner of any Certificate shall bind all future Owners of such Certificate with respect to anything done or suffered to be done by the District or the Trustee in good faith and in accordance therewith.

Section 12.04. Waiver of Personal Liability. Notwithstanding anything contained herein to the contrary, no member, officer or employee of the District shall be individually or personally liable for the payment of any moneys, including without limitation, the interest or principal evidenced by the Certificates, but nothing contained herein shall relieve any member, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law, by the Lease Agreement or hereby.

Section 12.05. Acquisition of Certificates by District. All Certificates acquired by the District, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

Section 12.06. Content of Certificates. (a) Every Written Certificate of the District and every Written Certificate of the Corporation with respect to compliance with any agreement, condition, covenant or term contained herein shall include (i) a statement that the person making or giving such certificate has read such agreement, condition, covenant or term and the definitions herein relating thereto, (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based, (iii) a statement that, in the opinion of the signer, the signer has made or caused to be made such examination or investigation as is necessary to enable the signer to express an informed opinion as to whether or not such agreement, condition, covenant or term has been complied with, and (iv) a statement as to whether, in the opinion of the signer, such agreement, condition, covenant or term has been complied with.

(b) Any Written Certificate of the District and any Written Certificate of the Corporation may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which each person's certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon information that is in the possession of the District or the Corporation upon a representation by an officer or officers of the District or the Corporation, as the case may be, unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which such counsel's opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 12.07. Funds and Accounts. (a) Any fund or account required to be established and maintained herein by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund, but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Certificates and the rights of the Owners.

(b) The Trustee may commingle any of the moneys held by it hereunder for investment purposes only; provided, however, that the Trustee shall account separately for the moneys in each fund or account established pursuant to this Trust Agreement.

Section 12.08. Third-Party Beneficiary. The Insurer is a third-party beneficiary of this Trust Agreement.

Section 12.09. Partial Invalidity. If any agreement, condition, covenant or term required herein to be observed or performed by or on the part of the Corporation, the District or the Trustee is, to any extent, held to be invalid or unenforceable in any jurisdiction, but the extent of such invalidity or unenforceability does not destroy the basis of the bargain among the parties as contained herein, the remainder of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the Corporation, the District or the Trustee, or the application of such agreements, conditions, covenants or terms to Persons or circumstances other than those as to which such agreement, condition, covenant or term is held invalid or

unenforceable, shall not be affected by such invalidity or unenforceability, and each remaining agreement, condition, covenant and term required herein to be observed or performed by or on the part of the Corporation, the District and the Trustee shall be valid and shall be enforced to the fullest extent permitted by law.

Section 12.10. Notices. All written notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the District: Rialto Unified School District
 182 East Walnut Avenue
 Rialto, California 92376
 Attention: Lead Business Services Agent

If to the Corporation: Rialto Unified School District
 School Facilities Corporation
 182 East Walnut Avenue
 Rialto, California 92376
 Attention: Lead Business Services Agent

If to the Trustee: U.S. Bank Trust Company,
 National Association
 633 West Fifth Street, 24th Floor
 Los Angeles, California 90071
 Attention: Global Corporate Trust

If to the Insurer: _____

 Attention: _____
 Re: Policy Nos. _____
 Telephone: _____
 Telecopier: _____
 E-mail: _____

In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel of the Insurer and shall be marked to indicate “URGENT MATERIAL ENCLOSED” and shall also be sent to the attention of the General Counsel at the same address and at [_____] or at telecopier number [_____].

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States

mail, (c) if given by electronic mail, on the date sent, but only if confirmation of the receipt of such electronic mail is received or if notice is concurrently sent by another means specified herein, and (d) if given by any other means, upon delivery at the address specified in this Section.

Section 12.11. Electronic Signatures. Each of the parties hereto agrees that the transaction consisting of this Trust Agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Trust Agreement using an electronic signature, it is signing, adopting, and accepting this Trust Agreement and that signing this Trust Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Trust Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Trust Agreement in a usable format.

Section 12.12. Governing Law. This Trust Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

Section 12.13. Execution in Counterparts. This Trust Agreement may be simultaneously executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, AS
TRUSTEE**

By: _____
Authorized Officer

**RIALTO UNIFIED SCHOOL
DISTRICT SCHOOL FACILITIES
CORPORATION**

By: _____

**RIALTO UNIFIED SCHOOL
DISTRICT**

By: _____

[Signature Page to Trust Agreement]

EXHIBIT A

MASTER DEFINITIONS

“Acquisition Costs” means all costs of acquiring, constructing and installing the Project, including:

(a) all costs that the Corporation or the District shall be required to pay to a seller or any other Person under the terms of any contract or contracts for the purchase of any portion of the Project;

(b) all costs that the Corporation or the District shall be required to pay a contractor or any other Person for the acquisition, construction and installation of any portion of the Project;

(c) obligations of the Corporation or the District incurred for services (including obligations payable to the Corporation or the District for actual out-of-pocket expenses of the Corporation or the District) in connection with the acquisition, construction and installation of the Project, including reimbursement to the Corporation or the District for all advances and payments made in connection with the Project prior to or after delivery of the Certificates;

(d) the actual out-of-pocket costs of the Corporation or the District for test borings, surveys, estimates and preliminary investigations therefor, as well as for the performance of all other duties required by or consequent to the proper acquisition, construction and installation of the Project, including administrative expenses under the Lease Agreement and under the Trust Agreement relating to the acquisition, construction and installation of the Project;

(e) Costs of Issuance, to the extent amounts for the payment thereof are not available in the Costs of Issuance Fund; and

(f) any sums required to reimburse the Corporation or the District for advances made by the Corporation or the District for any of the above items or for any other costs incurred and for work done by the Corporation or the District that are properly chargeable to the Project.

“Acquisition Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.04 of the Trust Agreement.

“Additional Rental Payments” means all amounts payable by the District as Additional Rental Payments pursuant to Section 3.02 of the Lease Agreement.

“Applicable Laws” means any applicable law, regulation, code, order, rule, judgment or consent agreement of any governmental, quasi-governmental or other public or quasi-public authority or regulatory body, including those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or

toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Property.

“Asbestos Containing Materials” means material in friable form containing more than 1% of the asbestiform varieties of (a) chrysotile (serpentine), (b) crocidolite (ricbeckite), (c) amosite (cummington-itegrinerite), (d) anthophyllite, (e) tremolite and (f) actinolite.

“Assignment Agreement” means the Assignment Agreement, dated as of _____ 1, 2024, by and between the Corporation and the Trustee, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

“Authorized Corporation Representative” means the President of the Corporation, the Vice President of the Corporation, the Treasurer of the Corporation and the Secretary of the Corporation, and any other person authorized by the Board of Directors of the Corporation to act on behalf of the Corporation under or with respect to the Trust Agreement.

“Authorized Denominations” means \$5,000 or any integral multiple thereof.

“Authorized District Representative” means the Superintendent of the District, the Lead Business Services Agent of the District, and any other Person designated as an Authorized Representative of the District in a Written Certificate of the District filed with the Trustee.

“Base Rental Deposit Date” means the 15th day next preceding each Interest Payment Date.

“Base Rental Payment Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.01 of the Trust Agreement.

“Base Rental Payment Schedule” means the schedule of Base Rental Payments payable to the Corporation from the District pursuant to Section 3.01 of the Lease Agreement and attached as Exhibit C to the Lease Agreement.

“Base Rental Payments” means all amounts payable to the Corporation by the District as Base Rental Payments pursuant to Section 3.01 of the Lease Agreement.

“Beneficial Owners” means those Persons for whom the Participants have caused the Depository to hold Book-Entry Certificates.

“Book-Entry Certificates” means the Certificates registered in the name of the nominee of DTC, or any successor securities depository for the Certificates, as the registered owner thereof pursuant to the terms and provisions of Section 2.08 of the Trust Agreement.

“Business Day” means a day other than (a) Saturday or Sunday, (b) a day on which banking institutions in the city or cities in which the Principal Office of the Trustee is located are authorized or required by law to be closed, or (c) a day on which the New York Stock Exchange is closed.

“**Cede & Co.**” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Certificates.

“**Certificate Purchase Agreement**” means the Certificate Purchase Agreement, dated _____, 2024, by and between the Purchaser and the District relating to the Certificates.

“**Certificate Year**” means each twelve-month period beginning on June 1 in each year and extending to the next succeeding May 31, both dates inclusive, except that the first Certificate Year shall begin on the Delivery Date and end on May 31, 2025.

“**Certificates**” means the Rialto Unified School District Certificates of Participation (2024 Kitchen and Meeting Facilities Financing), executed and delivered by the Trustee pursuant to the Trust Agreement.

“**Code**” means the Internal Revenue Code of 1986.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement, dated as of _____ 1, 2024, by and between the District and the Trustee, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

“**Corporation**” means the Rialto Unified School District School Facilities Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State of California, and its successors.

“**Costs of Issuance**” means all the costs of executing and delivering the Certificates, including all printing and document preparation expenses in connection with the Trust Agreement, the Lease Agreement, the Ground Lease, the Assignment Agreement, the Certificates and the preliminary official statement and final official statement pertaining to the Certificates, rating agency fees, title insurance fees, market study fees, legal fees and expenses of counsel with respect to the execution and delivery of the Certificates, the fees and expenses of the Trustee, including fees and expenses of its counsel, the fees and expenses of any municipal advisor to the District, any premium for municipal bond insurance or a reserve surety, and other fees and expenses incurred in connection with the execution and delivery of the Certificates, to the extent such fees and expenses are approved by the District.

“**Costs of Issuance Fund**” means the fund by that name established and held by the Trustee pursuant to Section 3.03 of the Trust Agreement.

“**Defeasance Securities**” means (a) non-callable direct obligations of the United States of America (“United States Treasury Obligations”), (b) evidences of ownership of proportionate interests in future interest and principal payments on United States Treasury Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Treasury Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated, (c) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively,

or (d) subject to the prior written consent of the Insurer, securities eligible for “AAA” defeasance under then existing criteria of S&P, or any combination thereof.

“**Delivery Date**” means _____, 2024.

“**Depository**” means the securities depository acting as Depository pursuant to Section 2.08 of the Trust Agreement.

“**District**” means the Rialto Unified School District, a school district organized and existing under the laws of the State of California, and its successors.

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

“**Environmental Regulations**” means all laws and regulations, now or hereafter in effect, with respect to Hazardous Materials, including the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, “CERCLA”), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, “RCRA”), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, “Title III”), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, “CWA”), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, “CAA”) and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 et seq.) (together with the regulations promulgated thereunder, “TSCA”), and any state or local similar laws and regulations and any so-called local, state or federal “superfund” or “superlien” law.

“**Event of Default**” means an event specified in Section 7.01 of the Trust Agreement described as constituting an Event of Default.

“**Fair Rental Value**” means, with respect to the Property, the annual fair rental value thereof, as set forth in Section 3.03 of the Lease Agreement.

“**Ground Lease**” means the Ground Lease, dated as of _____ 1, 2024, by and between the District and the Corporation, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof and of the Lease Agreement.

“**Hazardous Materials**” means flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the Corporation, the District, the Property or the business operations conducted by the Corporation or the District thereon.

“High School Property” means the property described under the caption “High School Property” in Exhibit B to the Lease Agreement.

“Independent Insurance Consultant” means a nationally recognized independent actuary, insurance company or broker acceptable to the Insurer that has actuarial personnel experienced in the area of insurance for which the District is to be self-insured, as may from time to time be designated by the District.

“Insolvency Proceeding” has the meaning ascribed to such term in Section 11.01(n) of the Trust Agreement.

“Insurance Business Day” means any day other than (a) a Saturday or Sunday, (b) any day on which the Principal Office of the Trustee or the principal office of the Insurer is closed, and (c) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the City of New York.

“Insurance Policy” means the Municipal Bond Insurance Policy, and any endorsement thereto, issued by the Insurer guaranteeing the scheduled payment of the interest and principal evidenced by the Certificates when due, or any insurance policy substituted for said Municipal Bond Insurance Policy.

“Insurer” means [Insurer], or any successor thereto or assignee thereof.

“Insurer Rate” means [_____].

“Insurer’s Fiscal Agent” means a fiscal agent appointed by the Insurer for purposes of, and in accordance with the terms contained in, the Insurance Policy.

“Interest Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.02 of the Trust Agreement.

“Interest Payment Date” means June 1 and December 1 of each year commencing [December 1, 2024].

“Lease Agreement” means the Lease Agreement, dated as of _____ 1, 2024, by and between the District and the Corporation, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

“Lease Default Event” means any failure or event specified in Section 7.01 of the Lease Agreement described as constituting a Lease Default Event.

“Letter of Representations” means the letter of the District delivered to and accepted by the Depository on or prior to the delivery of the Certificates as Book-Entry Certificates setting forth the basis on which the Depository serves as depository for such Book-Entry Certificates, as originally executed or as it may be amended or supplemented or replaced by a letter to a substitute Depository.

“Mandatory Sinking Account Payment” means the principal evidenced by the Certificates required to be paid on each Mandatory Sinking Account Payment Date pursuant to Section 4.01 of the Trust Agreement.

“Mandatory Sinking Account Payment Date” means (a) for the Certificates with a stated Principal Payment Date of June 1, 20__, June 1, 20__ and each June 1 thereafter continuing through and including June 1, 20__, and (b) for the Certificates with a stated Principal Payment Date of June 1, 20__, June 1, 20__ and each June 1 thereafter continuing through and including June 1, 20__.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns, and, if Moody’s Investors Service, Inc., shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the District.

“Net Proceeds” means any insurance proceeds or condemnation award in excess of \$50,000 paid with respect to any of the Property, remaining after payment therefrom of all reasonable expenses incurred in the collection thereof.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.08 of the Trust Agreement.

“Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the District.

“Outstanding” means, with respect to the Certificates, as of any date, Certificates theretofore or thereupon being executed and delivered under the Trust Agreement, except (a) Certificates canceled by the Trustee or delivered to the Trustee for cancellation on or prior to such date, (b) Certificates in lieu of which other Certificates have been executed and delivered, or that have been paid without surrender thereof pursuant to Section 2.10 of the Trust Agreement, and (c) Certificates paid or deemed to have been paid within the meaning of Section 10.02 of the Trust Agreement.

“Owner” means, with respect to a Certificate, the Person in whose name such Certificate is registered on the Registration Books.

“Participant” means any entity that is recognized as a participant by the Depository in the book-entry system of maintaining records with respect to Book-Entry Certificates.

“Participating Underwriter” has the meaning ascribed to such term in the Continuing Disclosure Agreement.

“Permitted Encumbrances” means, with respect to the Property, as of any particular time, (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or that the District may, pursuant to provisions of Section 5.09 of the Lease Agreement, permit to remain unpaid, (b) the Assignment Agreement, (c) the Lease Agreement, (d) the Ground Lease, (e) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law as normally would exist with respect to properties similar to the

Property for the purposes for which it was acquired or is held by the District, (f) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions that exist of record as of the Delivery Date that the District certifies in writing will not affect the intended use of the Property or impair the security granted to the Trustee for the benefit of the Owners of the Certificates by the Trust Agreement and the Assignment Agreement, and (g) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Delivery Date that the District certifies in writing do not affect the intended use of the Property or impair the security granted to the Trustee for the benefit of the Owners of the Certificates by the Trust Agreement and the Assignment Agreement and to which the Corporation and the Insurer consents in writing.

“Permitted Investments” means the following:

(a) 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), and obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America (“Federal Securities”);

(b) any of the following direct or indirect obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank; (ii) certificates of beneficial ownership issued by the Farmers Home Administration; (iii) participation certificates issued by the General Services Administration; (iv) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal Housing Administration; (v) project notes issued by the United States Department of Housing and Urban Development; and (vi) public housing notes and bonds guaranteed by the United States of America;

(c) interest-bearing demand deposit accounts or time deposits (including certificates of deposit) in a federal or state chartered bank (including the Trustee and its affiliates) or a state licensed branch of a foreign bank or a state or federal association (as defined in Section 5102 of the California Financial Code), provided that (i) the unsecured short-term obligations of such commercial bank or savings and loan association shall be rated A1 or better by S&P, or (ii) such demand deposit accounts or time deposits shall be fully insured by the Federal Deposit Insurance Corporation;

(d) commercial paper rated in the highest short-term rating category by S&P, issued by corporations that are organized and operating within the United States of America, and that matures not more than 180 days following the date of investment therein;

(e) bankers acceptances, consisting of bills of exchange or time drafts drawn on and accepted by a commercial bank whose short-term obligations are rated in the highest short-term rating category by S&P that mature not more than 270 days following the date of investment therein;

(f) obligations the interest on which is excludable from gross income pursuant to Section 103 of the Code and that are rated A or better by S&P;

(g) obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated A or better by S&P;

(h) money market funds that are rated Am or better by S&P, including funds for which the Trustee and its affiliates provide investment advisory or other management services;

(i) an investment agreement or guaranteed investment contract with, or guaranteed by, a financial institution or corporation, the long-term unsecured obligations of which are or, in the case of an insurance company, the long term financial strength of which is, rated “AA-” or better by S&P at the time of initial investment; provided, that the investment agreement shall be subject to a downgrade provision with at least the following requirements:

(1) the agreement shall provide that within ten Business Days after the financial institution’s long-term unsecured credit rating has been withdrawn, suspended, or reduced below “AA-” by S&P (such events referred to as “rating downgrades”) the financial institution shall give notice to the District and the Trustee and, within such ten-day period, and for as long as the rating downgrade is in effect, shall deliver in the name of the Trustee Federal Securities with an aggregate current market value equal to at least 105% of the principal amount of the investment agreement invested with the financial institution at that time, and shall deliver additional Federal Securities as needed to maintain an aggregate current market value equal to at least 105% of the principal amount of the investment agreement within three days after each evaluation date, which shall be at least weekly, and

(2) the agreement shall provide that, if the financial institution’s long-term unsecured credit rating is reduced below “A-” by S&P, the financial institution shall give notice of the downgrade to the District and the Trustee within five Business Days, and the Trustee may, upon five Business Days’ written notice to the financial institution, withdraw all amounts invested pursuant to the investment agreement, with accrued but unpaid interest thereon to the withdrawal date, and terminate the agreement.

(j) repurchase agreements with (i) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated at least “A” by S&P and Moody’s; (ii) any broker-dealer with “retail customers” or a related affiliate thereof, which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by S&P and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (iii) any other entity (or entity whose obligations are guaranteed by an affiliate or parent company) rated at least “A” by S&P and Moody’s, provided that:

(1) the market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

(2) the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(3) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(4) all other requirements of S&P and Moody's in respect of repurchase agreements shall be met; and

(5) the repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3" respectively, the provider must immediately notify the District and Trustee and the provider must, at the direction of the District or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the District or Trustee.

"Persons" means an individual, corporation, firm, association, partnership, limited liability company, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Policy Payments Account" means the account by that name established and held by the Trustee pursuant to subsection (d) of Section 11.02 of the Trust Agreement.

"Preference Claim" has the meaning ascribed to such term in Section 11.01(n) of the Trust Agreement.

"Prepayment Fund" means the fund by that name established and held by the Trustee pursuant to Section 5.02 of the Trust Agreement.

"Principal Fund" means the fund by that name established and held by the Trustee pursuant to Section 5.02 of the Trust Agreement.

"Principal Office" means the Trustee's principal corporate trust office in St. Paul, Minnesota, or any other office designated by the Trustee.

"Principal Payment Date" means, with respect to a Certificate, the date on which the principal evidenced by such Certificate is scheduled, as of the date of execution and delivery of such Certificate, to become due and payable.

“Project” consists of the acquisition, construction, installation, improvement and equipping of District central kitchen and meeting facilities.

“Property” means the real property described in Exhibit B to the Lease Agreement and any improvements thereto, subject to the provisions of Section 2.02 of the Lease Agreement relating to the termination of the term of the Lease Agreement with respect to the High School Property.

“Purchaser” means, collectively, Piper Sandler & Co. and Loop Capital Markets LLC, as underwriters and purchasers of the Certificates pursuant to the Certificate Purchase Agreement.

“Rebate Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.06 of the Trust Agreement.

“Rebate Requirement” has the meaning ascribed to such term in the Tax Certificate.

“Record Date” means, with respect to any Interest Payment Date, the fifteenth day of the calendar month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

“Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Certificates pursuant to Section 2.06 of the Trust Agreement.

“Release” means to pump, spill, leak, dispose of, empty, discharge or release.

“Rental Payments” means, collectively, the Base Rental Payments and the Additional Rental Payments.

“Rental Period” means the period from the Delivery Date through June 30, 2025 and, thereafter, the twelve-month period commencing on July 1 of each year during the term of the Lease Agreement.

“Reserve Facility” means the Reserve Policy and any line of credit, letter of credit, insurance policy, surety bond or other credit source deposited with the Trustee pursuant to Section 5.05 of the Trust Agreement.

“Reserve Fund” means the fund by that name established in accordance with Section 5.05 of the Trust Agreement.

“Reserve Insurer” means [Insurer], or any successor thereto or assignee thereof.

“Reserve Policy” means the Municipal Bond Debt Service Reserve Insurance Policy, and any endorsement thereto, issued by the Reserve Insurer under which claims may be made in order to provide moneys in the Reserve Fund available for the purposes thereof.

“Reserve Requirement” means, as of any date of calculation, an amount equal to the least of (a) “10% of the proceeds of the issue,” within the meaning of Section 148 of the Code, (b) the

maximum amount of principal and interest evidenced by the Certificates coming due in any Certificate Year, and (c) 125% of the average amount of principal and interest evidenced by the Certificates coming due in each Certificate Year.

“S&P” means S&P Global Ratings, a business unit of Standard and Poor’s Financial Services, LLC, its successors and assigns, and, if S&P Global Ratings shall for any reason no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the District.

“Scheduled Termination Date” means June 1, 20[___].

“Tax Certificate” means the Tax Certificate executed by the District at the time of execution and delivery of the Certificates relating to the requirements of Section 148 of the Code, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“Trust Agreement” means the Trust Agreement, dated as of _____ 1, 2024, by and among U.S. Bank Trust Company, National Association, as trustee, the Corporation and the District, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

“Trustee” means U.S. Bank Trust Company, National Association, as trustee under the Trust Agreement, or any successor thereto as Trustee under the Trust Agreement substituted in its place as provided in the Trust Agreement.

“Verification Report” means, with respect to the deemed payment of Certificates pursuant to clause (ii) of subsection (a) of Section 10.02 of the Trust Agreement, a report of a nationally recognized certified public accountant, or firm of such accountants, verifying that the Defeasance Securities and cash, if any, deposited in connection with such deemed payment satisfy the requirements of clause (ii) of subsection (a) of Section 10.02 of the Trust Agreement.

“Written Certificate of the Corporation” means a written certificate signed in the name of the Corporation by an Authorized Corporation Representative. Any such certificate may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“Written Certificate of the District” or **“Written Request of the District”** means, respectively, a written certificate or written request signed in the name of the District by an Authorized District Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

EXHIBIT B

FORM OF CERTIFICATE

No. R-

\$

**RIALTO UNIFIED SCHOOL DISTRICT
CERTIFICATE OF PARTICIPATION
(2024 KITCHEN AND MEETING FACILITIES FINANCING)**

PAYMENT DATE	INTEREST RATE	DATED DATE	CUSIP NO.
June 1, 20__	_____ %	_____, 2024	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ **DOLLARS**

THIS IS TO CERTIFY that the Registered Owner of this Certificate of Participation (the “Certificate”), as identified above, is the owner of a direct, fractional undivided interest in certain base rental payments (“Base Rental Payments”) payable under and pursuant to the Lease Agreement, dated as of _____ 1, 2024 (the “Lease Agreement”), by and between the Rialto Unified School District (the “District”), a school district organized and existing under the laws of the State of California, as lessee, and the Rialto Unified School District School Facilities Corporation (the “Corporation”), a nonprofit public benefit corporation organized and existing under the laws of the State of California, as lessor. Substantially all of the rights of the Corporation under the Lease Agreement, including the right to receive the Base Rental Payments, have been sold, assigned and transferred, irrevocably and absolutely, without recourse, by the Corporation to U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “Trustee”), under the Trust Agreement, dated as of _____ 1, 2024 (the “Trust Agreement”), by and among the Trustee, the Corporation and the District. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Trust Agreement.

This Certificate is one of the duly authorized Rialto Unified School District Certificates of Participation (2024 Kitchen and Meeting Facilities Financing) (the “Certificates”), evidencing principal in the aggregate amount of \$[Par Amount], executed pursuant to the terms of the Trust Agreement. The Certificates evidence direct, fractional undivided interests in Base Rental Payments payable under the Lease Agreement. The Certificates are being executed and delivered to finance the acquisition, construction, installation, improvement and equipping of District’s central kitchen and meeting facilities.

Reference is hereby made to the Trust Agreement and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms with

respect to the Certificates, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights, duties and immunities of the Trustee, for the rights and remedies of the registered owners of the Certificates with respect thereto and for the other agreements, conditions, covenants and terms upon which the Certificates are executed and delivered thereunder, to all of which provisions the Registered Owner by acceptance hereof, assents and agrees, and the provisions of the Trust Agreement are hereby incorporated into this Certificate as though fully set forth herein.

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Trust Agreement and any right of prepayment as provided herein or therein, on the Payment Date set forth above, upon surrender of this Certificate at the Principal Office of the Trustee, the Principal Amount specified above, evidencing the Registered Owner's interest in the Base Rental Payments designated as principal components coming due on the Payment Date, and to receive on June 1 and December 1 of each year, commencing on [December 1, 2024] (the "Interest Payment Dates"), interest accrued thereon at the Interest Rate specified above, computed on the basis of a 360-day year consisting of twelve 30-day months, until said Principal Amount is paid in full, evidencing the Registered Owner's interest in the Base Rental Payments designated as interest components coming due on each of said dates.

This Certificate shall evidence interest from the Interest Payment Date next preceding its date of execution to which interest has been paid in full, unless such date of execution shall be after the fifteenth day of the month next preceding an Interest Payment Date, whether or not such day is a business day (each such date, a "Record Date"), and on or prior to the following Interest Payment Date, in which case this Certificate shall evidence interest from such Interest Payment Date, or unless such date of execution shall be on or prior to [November 15, 2024], in which case this Certificate shall evidence interest from the Dated Date specified above. Notwithstanding the foregoing, if, as shown by the records of the Trustee, interest evidenced by the Certificates shall be in default, this Certificate shall evidence interest from the last Interest Payment Date to which such interest has been paid in full or duly provided for.

Except as otherwise provided in the Letter of Representations, payments of interest evidenced by the Certificates shall be made to the Owners thereof (as determined at the close of business on the Record Date next preceding the related Interest Payment Date) by check or draft of the Trustee mailed to the address of each such Owner as it appears on the Registration Books, or to such other address as may be furnished in writing to the Trustee by each such Owner. Except as otherwise provided in the Letter of Representations, payment of principal and prepayment premium, if any, evidenced by the Certificates, on their stated Principal Payment Dates or on prepayment in whole or in part prior thereto, shall be made only upon presentation and surrender of the Certificates at the Principal Office of the Trustee. All such amounts are payable in lawful money of the United States of America.

The Certificates are authorized to be executed and delivered in the form of fully registered certificates in denominations of \$5,000 or any integral multiple thereof ("Authorized Denominations").

This Certificate may be transferred or exchanged by the Registered Owner hereof, in person or by such Registered Owner's attorney duly authorized in writing, at the Principal Office

of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement.

The Certificates evidence and represent a fractional undivided interest in Base Rental Payments and enjoy the benefits of a security interest in the moneys held in the funds and accounts established pursuant to the Trust Agreement, subject to the provisions of the Trust Agreement permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein.

The Certificates are subject to prepayment on the dates, at the prepayment prices and pursuant to the terms set forth in the Trust Agreement. Notice of prepayment of any Certificate or any portion thereof shall be given as provided in the Trust Agreement.

The Trust Agreement, and the rights and obligations of the Corporation, the District, the Trustee and the Owners may be amended or supplemented in the manner, to the extent, and upon the terms provided in the Trust Agreement.

The Trust Agreement contains provisions permitting the District to make provision for the payment of the principal, interest and premium, if any, evidenced by any of the Certificates so that such Certificates shall no longer be deemed to be Outstanding under the terms of the Trust Agreement.

Unless this Certificate is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Certificate 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.

The Corporation and the District have certified that all acts, conditions and things required by the statutes of the State of California and by the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Certificate do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the Trustee is duly authorized to execute and deliver this Certificate.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized signatory of the Trustee as of the date set forth below.

Date: _____, 2024

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
AS TRUSTEE**

By: _____
Authorized Officer

STATEMENT OF INSURANCE

[To come]

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____, whose address and social security or other tax identifying number is _____, the within-mentioned Certificate and hereby irrevocably constitute(s) and appoint(s) _____, attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

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

EXHIBIT C

**FORM OF WRITTEN REQUEST FOR DISBURSEMENTS
FROM THE ACQUISITION FUND**

**WRITTEN REQUEST NO. _____
FOR DISBURSEMENTS FROM THE ACQUISITION FUND**

The Rialto Unified School District, a school district organized and existing under the laws of the State of California (the “District”), hereby states and certifies:

(a) that the undersigned is the duly [appointed/elected], qualified and acting _____ of the District, and, as such, is a duly designated “Authorized District Representative” as such term is defined in the Trust Agreement, dated as of _____ 1, 2024 (the “Trust Agreement”), by and among U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), the Rialto Unified School District School Facilities Corporation (the “Corporation”) and the District, and is familiar with the facts herein certified and is authorized and qualified to certify the same;

(b) that the Trustee is hereby requested to disburse from the Acquisition Fund, established pursuant to Section 3.04 of the Trust Agreement, to the payees set forth on Schedule 1 attached hereto and by this reference incorporated herein, the amount set forth on Schedule 1 opposite each such payee, for payment of such costs identified on said Schedule 1;

(c) that each item of cost identified on Schedule 1 has been properly incurred and the amounts to be disbursed from the Acquisition Fund pursuant to this Written Request are for Acquisition Costs properly chargeable to the Acquisition Fund by the District or the Corporation, as the case may be, and no amounts to be disbursed pursuant to this Written Request have been the subject of a previous Written Request for disbursement from the Acquisition Fund; and

(d) that an invoice for each item of cost identified on Schedule 1 is attached hereto.

Capitalized undefined terms used herein have the meanings ascribed thereto in the Trust Agreement.

Dated: _____

**RIALTO UNIFIED SCHOOL
DISTRICT**

By: _____

Name:

Title:

SCHEDULE 1
ACQUISITION FUND DISBURSEMENTS

<u>Payee Name and Address</u>	<u>Purpose of Obligation</u>	<u>Amount</u>
-------------------------------	------------------------------	---------------

**TO BE RECORDED AND WHEN
RECORDED RETURN TO:**

Orrick, Herrington & Sutcliffe LLP
355 South Grand Avenue, Suite 2700
Los Angeles, California 90071
Attention: Laura Gao

**THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER
TAX PURSUANT TO SECTION 11921 OF THE CALIFORNIA REVENUE AND
TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES
PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.**

ASSIGNMENT AGREEMENT

by and between

**RIALTO UNIFIED SCHOOL DISTRICT
SCHOOL FACILITIES CORPORATION**

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
AS TRUSTEE**

Dated as of _____ 1, 2024

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (this “Assignment Agreement”), dated as of _____ 1, 2024, is by and between the RIALTO UNIFIED SCHOOL DISTRICT SCHOOL FACILITIES CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the “Corporation”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (the “Trustee”).

WITNESSETH:

WHEREAS, pursuant to the Ground Lease, dated as of the date hereof (the “Ground Lease”), by and between the Rialto Unified School District (the “District”) and the Corporation, the District has leased to the Corporation certain real property owned by the District and the improvements thereon (the “Property”);

WHEREAS, the Property is more particularly described in Exhibit A hereto;

WHEREAS, pursuant to the Lease Agreement, dated as of the date hereof (the “Lease Agreement”), the Corporation has leased the Property back to the District;

WHEREAS, each of the Ground Lease and a memorandum of the Lease Agreement are being recorded with the San Bernardino County Recorder concurrently with the recordation therewith of this Assignment Agreement;

WHEREAS, pursuant to the Lease Agreement, the District is obligated to make Base Rental Payments (as defined in the Lease Agreement) to the Corporation for the lease of the Property;

WHEREAS, the Corporation desires to sell, assign and transfer, without recourse, its rights in the Ground Lease and the Lease Agreement, including its rights to receive the Base Rental Payments, to the Trustee for the benefit of the owners of the Rialto Unified School District Certificates of Participation (2024 Kitchen and Meeting Facilities Financing) (the “Certificates”) to be executed and delivered under the Trust Agreement, dated as of the date hereof (the “Trust Agreement”), by and among the Trustee, the Corporation and the District;

WHEREAS, in consideration of such assignment and the execution of the Trust Agreement, the Trustee has agreed to execute and deliver the Certificates, each evidencing a direct, fractional undivided interest in the Base Rental Payments to be made by the District pursuant the Lease Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Assignment Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Assignment Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

Section 1. Definitions. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Trust Agreement.

Section 2. Assignment. The Corporation, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby sell, assign and transfer to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the owners of the Certificates, all of its right, title and interest in and to the Ground Lease and the Lease Agreement, including its right to receive the Base Rental Payments to be paid by the District under and pursuant to the Lease Agreement; provided, however, that the Corporation shall retain its rights under the Lease Agreement to indemnification and to payment or reimbursement of its reasonable costs and expenses. This assignment is absolute and is presently effective. All such right, title and interest so sold, assigned and transferred by the Corporation to the Trustee shall be administered by the Trustee in accordance with the provisions of the Trust Agreement, the Lease Agreement and the Ground Lease.

Section 3. Acceptance. The Trustee hereby accepts the foregoing sale, assignment and transfer, subject to the terms and provisions of the Trust Agreement, and agrees that all of the Base Rental Payments shall be applied and the right, title and interest so sold, assigned and transferred shall be exercised by the Trustee as provided in the Trust Agreement, the Lease Agreement and the Ground Lease.

Section 4. Conditions. Excepting only the sale, assignment and transfer to the Trustee of the Corporation's right, title and interest in and to the Ground Lease and the Lease Agreement pursuant to Section 2 hereof, this Assignment Agreement shall impose no obligations whatsoever upon the Trustee beyond those expressly provided in the Trust Agreement, the Lease Agreement and the Ground Lease.

Section 5. Third-Party Beneficiary. The Insurer is a third-party beneficiary of this Assignment Agreement.

Section 6. Amendment. This Assignment Agreement shall not be amended, supplemented or otherwise modified without the prior written consent of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy).

Section 7. Further Assurances. The Corporation shall 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 Assignment Agreement, and for the better assuring and confirming to the Trustee, for the benefit of the owners of the Certificates, the right, title and interest intended to be sold, assigned and transferred pursuant hereto.

Section 8. Rules of Construction. (a) The terms defined herein expressed in the singular shall, unless the context otherwise indicates, include the plural and vice versa.

(b) The use herein of the masculine, feminine or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine or neuter gender, as appropriate.

(c) References herein to a document shall include all amendments, supplements or other modifications to such document, and any replacements, substitutions or novation of, that document.

(d) Any term defined herein by reference to another document shall continue to have the meaning ascribed thereto whether or not such other document remains in effect.

(e) The use herein of the words “including” and “includes,” and words of similar import, shall be deemed to be followed by the phrase “without limitation.

(f) Headings of Sections herein are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(g) The words “hereof” (except when preceded by a specific Section reference), “herein,” “hereby,” “hereunder,” “hereinabove,” “hereinafter,” and other equivalent words and phrases used herein refer to this Assignment Agreement and not solely to the particular portion hereof in which any such word is used.

(h) Any reference to a Person, or a Person in a specified capacity, shall be construed to include such Person’s successors or such Person’s successors in such capacity, as the case may be.

Section 9. Governing Law. This Assignment Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

Section 10. Execution in Counterparts. This Assignment Agreement may be simultaneously executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

**RIALTO UNIFIED SCHOOL
DISTRICT SCHOOL FACILITIES
CORPORATION**

By: _____

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, AS
TRUSTEE**

By: _____

Name: _____

Title: _____

[Signature Page to Assignment Agreement]

EXHIBIT A

DESCRIPTION OF THE PROPERTY

All that real property situated in the County of San Bernardino, State of California, described as follows, together with any improvements thereto:

High School Property*:

[To come]

Central Kitchen Property:

[To come]

[END OF LEGAL DESCRIPTION OF REAL PROPERTY]

The above-described parcels are commonly referred to as [Wilmer Amina Carter High School, located at 2630 N. Linden Avenue, Rialto, California 92377 and the land on which the central kitchen and meeting facilities of the District are to be constructed, located at 625 W. Foothill Blvd., Rialto, CA 92376].

* The Ground Lease and the Lease Agreement provide that, so long as no Lease Default Event shall have occurred and be continuing under the Lease Agreement, the term of the Lease Agreement with respect to the High School Property shall terminate on the date the Written Certificate of the District required by Section 3.04(c) of the Trust Agreement is filed with the Trustee, unless such term is sooner terminated as hereinafter provided, and, from and after the date of such termination (i) the description of the High School Property set forth in this Exhibit A shall be deemed to have been deleted herefrom and the term "Property" shall, for all purposes hereof, be deemed not to include the High School Property, and (ii) all right, title and interest in and to the portion of the High School Property shall vest in the District.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Seal]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Seal]
