

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

Hawkins Delafield & Wood LLP  
333 South Grand Avenue, Suite 3650  
Los Angeles, California 90071  
Attention: Nnanna F. Ogbu, Esq.

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This Lease Agreement Is Recorded for the Benefit of a Public Agency and  
Is Exempt from Documentary Transfer Tax  
Pursuant to Government Code Section 27383

---

**LEASE AGREEMENT**

**by and between**

**LOS ANGELES COUNTY SCHOOLS  
REGIONALIZED BUSINESS SERVICES CORPORATION,  
as Lessor**

**and**

**SANTA MONICA COMMUNITY COLLEGE DISTRICT,  
as Lessee**

**Dated as of December 1, 2013**

**relating to**

**[\$Principal Amount]  
Certificates of Participation  
(Los Angeles County Schools Pooled Financing Program)  
2013 Refunding Series A  
(Santa Monica Community College District)**

---

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions and Rules of Construction .....2  
SECTION 1.2. Exhibits .....3

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of Lessee .....3  
SECTION 2.2. Representations, Covenants and Warranties of Lessor .....7

ARTICLE III

DEPOSIT OF MONEYS; REFINANCING OF THE PROJECT

SECTION 3.1. Deposit of Moneys .....8  
SECTION 3.2. Refinancing of the Project .....8  
SECTION 3.3. Leased Property .....8  
SECTION 3.4. Lessee to Act as Agent for the Lessor .....8  
SECTION 3.5. Disclaimers of the Lessor .....9  
SECTION 3.6. Substitution of Alternate Leased Property and Release of Leased Property. ....9

ARTICLE IV

AGREEMENT TO LEASE; TERMINATION OF LEASE; LEASE PAYMENTS; TITLE TO THE  
LEASED PROPERTY

SECTION 4.1. Lease .....10  
SECTION 4.2. Term of Agreement .....10  
SECTION 4.3. Lease Payments .....10  
SECTION 4.4. Quiet Enjoyment .....12  
SECTION 4.5. Title to the Leased Property. ....13  
SECTION 4.6. Additional Payments .....13  
SECTION 4.7. Additional Lease Payments .....14

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; OTHER MATTERS

SECTION 5.1. Maintenance, Utilities, Taxes and Assessments .....14  
SECTION 5.2. Modification of the Leased Property. ....14  
SECTION 5.3. Public Liability and Property Damage Insurance; Workers' Compensation  
Insurance. ....15

SECTION 5.4.	Fire and Theft Insurance .....	16
SECTION 5.5.	Rental Interruption and Title Insurance. ....	16
SECTION 5.6.	General Insurance Provisions.....	16
SECTION 5.7.	Liens.....	17
SECTION 5.8.	Use of the Leased Property .....	18
SECTION 5.9.	Tax Covenants.....	18
SECTION 5.10.	Advances.....	18
SECTION 5.11.	Agreement to Pay Program Expenses .....	18
SECTION 5.12.	Books and Records.....	18

ARTICLE VI

DAMAGE AND DESTRUCTION; USE OF NET INSURANCE AND CONDEMNATION PROCEEDS

SECTION 6.1.	Abatement of Lease Payments in Event of Loss of Use .....	18
SECTION 6.2.	Application of Net Insurance and Condemnation Proceeds. ....	19
SECTION 6.3.	Laws and Ordinances .....	19

ARTICLE VII

DISCLAIMER OF WARRANTIES; ACCESS TO THE LEASED PROPERTY

SECTION 7.1.	Disclaimer of Warranties .....	20
SECTION 7.2.	Lessee’s Right to Enforce Warranties.....	20
SECTION 7.3.	Access to the Leased Property and the Project .....	20
SECTION 7.4.	Release and Indemnification Covenants .....	20

ARTICLE VIII

ASSIGNMENT, SUBLEASING AND AMENDMENT

SECTION 8.1.	Assignment by the Lessor .....	21
SECTION 8.2.	Assignment and Subleasing by the Lessee .....	21
SECTION 8.3.	Amendment.....	21

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.1.	Events of Default Defined.....	22
SECTION 9.2.	Remedies on Default.....	22
SECTION 9.3.	No Remedy Exclusive.....	24
SECTION 9.4.	Agreement to Pay Attorneys’ Fees and Expenses .....	24
SECTION 9.5.	No Additional Waiver Implied by One Waiver .....	24
SECTION 9.6.	Application of the Proceeds from the Sale or Lease of the Leased Property.....	25
SECTION 9.7.	Trustee and Certificateholder to Exercise Rights .....	25

ARTICLE X

PREPAYMENT OF LEASE PAYMENTS AND PURCHASE OF LEASED PROPERTY

SECTION 10.1. Security Deposit.....25  
SECTION 10.2. Mandatory Prepayment From Net Insurance and Condemnation Proceeds .....25  
SECTION 10.3. Credit for Amounts on Deposit.....26

ARTICLE XI

ADDITIONAL COVENANTS

SECTION 11.1. Compliance with and Enforcement of this Lease .....26  
SECTION 11.2. Observance of Laws and Regulations .....26  
SECTION 11.3. Prosecution and Defense of Suits.....26  
SECTION 11.4. Further Assurances.....26

ARTICLE XII

MISCELLANEOUS

SECTION 12.1. Notices .....27  
SECTION 12.2. Binding Effect.....27  
SECTION 12.3. Severability .....27  
SECTION 12.4. Lessor Not Liable.....27  
SECTION 12.5. Net-Net-Net Lease .....28  
SECTION 12.6. Further Assurances and Corrective Instruments .....28  
SECTION 12.7. Execution in Counterparts.....28  
SECTION 12.8. Applicable Law .....28  
SECTION 12.9. Third-Party Beneficiaries .....28  
SECTION 12.10. No Merger of Estate.....28

EXHIBITS:

- Exhibit A Schedule of Lease Payments
- Exhibit B Legal Description of Leased Property
- Exhibit C Form of Certificate of Compliance with Insurance Requirements

## LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of December 1, 2013 (this "Lease"), by and between the LOS ANGELES COUNTY SCHOOLS REGIONALIZED BUSINESS SERVICES CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessor (the "Lessor"), and the SANTA MONICA COMMUNITY COLLEGE DISTRICT, a community college district duly organized and existing under the laws of the State of California, as lessee (the "Lessee");

### W I T N E S S E T H:

WHEREAS, Section 17430 *et seq.* of the Education Code of the State of California (the "Education Code") provides that the Lessee may enter into a lease or lease-purchase agreement for the financing or refinancing of the acquisition, delivery, installation, equipping, remodeling, or construction of certain buildings, land and equipment for purposes related to the operation of its facilities within the State of California (the "State"); and

WHEREAS, concurrently herewith the Lessor has executed and delivered \$[Principal Amount] in aggregate principal amount of its Certificates of Participation (Los Angeles County Schools Pooled Financing Program), 2013 Refunding Series A (Santa Monica Community College District) (the "Certificates") secured in part by lease payments (the "Lease Payments") and prepayments (the "Prepayments") to be made by the Lessee under this Lease with respect to the Leased Property (as defined below); and

WHEREAS, the Certificates are secured under a Trust Agreement, dated as of December 1, 2013 (the "Trust Agreement"), by and among the Lessee, the Lessor and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"); and

WHEREAS, in connection with the execution and delivery of the Certificates, the Lessee entered into a Site Lease, dated as of December 1, 2013 (the "Site Lease"), with the Lessor, wherein the Lessee has leased to the Lessor certain real property belonging to the Lessee together with the buildings located thereon and certain equipment located thereon (the "Leased Property," as more particularly described in Exhibit B hereto); and

WHEREAS, the Lessor now proposes to lease the Leased Property back to the Lessee and the Lessee proposes to lease the Leased Property from the Lessor pursuant to this Lease; and

WHEREAS, the Lessor has assigned its rights, title and interest under this Lease, subject to certain exceptions, to the Trustee under the Assignment Agreement, dated as of December 1, 2013 (the "Assignment Agreement"), between the Lessor and the Trustee, as security for the Certificates; 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 delivery of this 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 Lease; and

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions and Rules of Construction. Unless the context otherwise requires, the capitalized terms used herein but not defined in this Lease shall, for all purposes of this Lease, have the meanings specified in the Trust Agreement, together with any amendments thereof or supplements thereto permitted to be made thereunder; and the additional terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Lease, refer to this Lease as a whole. References to the Lease Payment Fund and the Prepayment Fund shall refer to the Lease Payment Fund and Prepayment Fund established and created under the Trust Agreement.

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

“Environmental Regulations” shall mean all Laws and Regulations, as defined in Section 2.1(h)(1) herein, now or hereafter in effect, with respect to Hazardous Materials, as defined in, including, without limitation, 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 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.

“Governing Board” when used with reference to the Lessee means the Board of Trustees of the Lessee.

“Hazardous Materials” shall have the meaning provided in Section 2.1(h)(1) hereof.

“Insurance Consultant” means an individual or firm employed by the Lessee as an independent contractor, experienced in the field of risk management.

“Laws and Regulations” shall have the meaning provided in Section 2.1(h)(1) hereof.

“Lease Payment Date” means January 15 and July 15 of each year, commencing July 15, 2014.

“Leased Property” means the personal and real property, which is the subject of the Site Lease comprising those parcels described in Exhibit B hereto.

“Prior Certificates” means the \$11,140,000 aggregate principal amount of the Lessee’s Refunding Certificates of Participation 2004 Series A executed and delivered pursuant to the Prior Trust Agreement.

“Prior Trust Agreement” means the Trust Agreement, dated as of August 1, 2004, by and among The Bank of New York Mellon Trust Company, N.A., as trustee thereunder, the Corporation and the Lessee.

“Prior Trustee” means The Bank of New York Mellon Trust Company, N.A., as trustee under the Prior Trust Agreement.

“Project” means the capital improvements and/or equipment to be refinanced with the net proceeds of the Certificates.

“Release” shall have the meaning provided in Section 2.1(h)(1) hereof.

“Removal” means the release of all or a portion of the Leased Property from the leasehold hereof and of the Site Lease, as provided in Section 3.6 hereof.

“Site Lease” means the Site Lease, dated as of December 1, 2013, by and between the Lessor, as lessee thereunder, and the Lessee, as lessor thereunder, and any duly authorized and executed amendments or supplements thereto.

“State” means the State of California.

“Substitution” means the release of all or a portion of the Leased Property from the leasehold hereof and of the Site Lease, and the lease of substituted real property and Improvements hereunder and under the Site Lease, as provided in Section 3.6 hereof.

SECTION 1.2. Exhibits. The following Exhibits are attached to, and by this reference incorporated into and made a part of, this Lease: Exhibit A – Schedule of Lease Payments to be made by the Lessee to the Lessor; Exhibit B – Legal Description of Leased Property; and Exhibit C – Form of Certificate of Compliance with Insurance Requirements.

## ARTICLE II

### REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of Lessee. The Lessee represents, covenants and warrants to the Lessor and the Certificateholder as follows:

(a) Due Organization and Existence. The Lessee is duly organized and validly operating as a community college district under the Constitution and laws of the State.

(b) Authorization; Enforceability. The Constitution and laws of the State authorize the Lessee to enter into this Lease, the Site Lease and the Trust Agreement (collectively, the “Agreements”) and to enter into the transactions contemplated by and to carry out its obligations under all of the Agreements, and the Lessee has, concurrently with the execution hereof, duly authorized and executed all of the Agreements. The Agreements constitute legal, valid and binding obligations of the Lessee, enforceable in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) No Defaults. Neither the execution and delivery of the Agreements, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the

transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Lessee is now a party or by which the Lessee is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrances whatsoever upon any of the property or assets of the Lessee.

(d) Indemnification of Lessor. The Lessee covenants to indemnify and hold harmless the Lessor and its directors and employees, and the Trustee, as assignee and with regard to its own rights (each, an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise in connection with the transactions contemplated by this Lease, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of the transactions contemplated by this Lease.

(e) Execution and Delivery. The Lessee has taken all actions required to authorize and execute this Lease in accordance with the Constitution and laws of the State.

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best of its knowledge, threatened against the Lessee in any way contesting or affecting the validity or enforceability of this Lease or the Site Lease or contesting the powers of the Lessee to execute and deliver this Lease or the Site Lease or to consummate the transactions contemplated hereby or thereby.

(g) Essentiality of the Leased Property. The Leased Property is essential to the operations of the Lessee.

(h) Compliance with Laws and Regulations.

(1) The Lessee has, after due inquiry, no knowledge and has not given or received any written notice indicating that the Leased 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 law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, 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 Leased Property (collectively, "Laws and Regulations"). Without limiting the generality of the foregoing, neither the Lessee nor to the best of its knowledge, after due inquiry, any prior or present owner, tenant or subtenant of any of the Leased Property has, other than as set forth in subsections (a) and (b) of this Section or as may have been remediated in accordance with Laws and Regulations, (i) used, treated, stored, transported or disposed of any material amount of 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 Lessee, any of the Leased Property or the business operations conducted by the Lessee thereon (collectively, "Hazardous Materials") on, from or beneath its Leased Property, (ii) pumped, spilled, leaked, disposed of, emptied, discharged or released (hereinafter collectively referred to as "Release") any material amount of Hazardous Material on, from or beneath the Leased



Property, or (iii) stored any material amount of petroleum products at the Leased Property in underground storage tanks.

(2) Excluded from the representations and warranties in subsection (i) hereof with respect to Hazardous Materials are those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operation of a school facility, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Laws and Regulations.

(3) No Leased Property located in an area of high potential incidence of radon has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the improvements to such Leased Property.

(i) Environmental Compliance.

(1) The Lessee shall not use or permit the Leased 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 Leased Property and then, only in compliance with all Environmental Regulations, and any state equivalent laws and 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 and 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 Leased Property or onto any other property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operation of a school facility, 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 Lessee shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Lessor, 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 Leased 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 (4) and only to the extent necessary to maintain the improvements on the Leased Property.

(2) The Lessee shall comply with, and shall use its best efforts to ensure that any tenant's subtenants, licensees, employees, contractors, and agents to comply with, all Environmental Regulations and shall keep the Leased Property free and clear from Hazardous Materials; provided, however, that notwithstanding that a portion of this covenant is limited to the Lessee's use of its best efforts, the Lessee shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the Lessee's obligations contained in subsection (3) hereof as provided in subsection (3) hereof. Upon receipt of any notice from any Person with regard to the Release of Hazardous Materials on, from or beneath the Leased Property, the Lessee shall give prompt written notice thereof to the Lessor and the Certificateholder (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

(3) Irrespective of whether any representation or warranty contained herein is not true or correct, the Lessee shall defend, indemnify and hold harmless the Trustee and the Certificateholder, its partners, depositors and each of its and their employees, agents, officers,

directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section, consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Lessor, Trustee or the Certificateholder, as appropriate, shall have delivered to the Lessee), 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 Leased 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 (5) Business Days' prior notice of which the Lessor, the Trustee or the Certificateholder, as appropriate, shall have delivered to the Lessee), or governmental order relating to Hazardous Materials on, from or beneath any of the Leased Property, (iv) any violation of Environmental Regulations or subsection (1) or (2) hereof by it or any of its 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 the Lessee is strictly liable under any Environmental Regulation, its obligation to the Trustee and the Certificateholder and the other indemnities under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this subsection (3) shall survive any foreclosure of the security interest in the Leased Property or the delivery of any instrument in lieu of foreclosure, and the satisfaction of all Certificates.

(4) The Lessee 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 Laws and Regulations, including but not limited to Environmental Regulations.

(5) The Lessee will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Laws and Regulations with respect to the Leased Property and any operations conducted thereon or any conditions existing thereon to the Trustee and the Certificateholder, and the District will notify the Trustee and the Certificateholder in writing immediately of any release, discharge, spill, or deposit of any Hazardous Materials that has occurred or is occurring that in any way affects or threatens to affect the Leased Property, or the people, structures, or other property thereon, provided that no such notifications shall create any liability or obligation on the part of the Trustee or the Certificateholder.

(j) No Condemnation. The Lessee hereby covenants and agrees, to the extent it may lawfully do so, that as long as any of the Certificates remain Outstanding and unpaid, the Lessee will not exercise the power of condemnation with respect to the Leased Property. The Lessee further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the Lessee should fail or refuse to abide by such covenant and condemns the Leased Property, the appraised value of the Leased Property shall not be less than the greater of (i) if such Certificates are then subject to prepayment, the Principal Component and the Interest Component of the Certificates Outstanding through the date of their prepayment, or (ii) if such Certificates are not then subject to prepayment, the amount necessary to defease such Certificates to the first available prepayment date in accordance with the Trust Agreement.

(k) Swap Agreements. So long as any Certificates are Outstanding, the Lessee shall not enter into any contractual agreement to exchange periodic payments based upon changes in rates over a period of time or any other contractual agreement commonly referred to as an “interest rate swap agreement” or “interest rate exchange agreement” with respect to the Certificates.

(l) Financial Statements.

(1) The financial statements of the Lessee for the Fiscal Year ended [June 30, 2012,] fairly present the financial condition and results of the operations of the District as of the date and for the period therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles as consistently applied. The Lessee is not aware of any information since its audited financial statements for the Fiscal Year ended [June 30, 2012,] that would materially adversely affect the Lessee’s credit quality, including, among other things, the Lessee’s ability to pay the Lease Payments pursuant to this Lease.

(2) Within [two hundred seventy (270) days] following the end of each Fiscal Year of the Lessee during the term hereof, the Lessee will provide to the Certificateholder a copy of the Lessee’s audited financial statements for such Fiscal Year, including such information as is required by applicable Government Accounting Standard’s Board pronouncements and applicable State law. Within ten (10) days of receipt of a request of the Certificateholder, the Lessee will provide the Certificateholder with a copy of its annual budget and any interim updates or modifications to such budget.

SECTION 2.2. Representations, Covenants and Warranties of Lessor. The Lessor represents, covenants and warrants to the Lessee and the Certificateholder as follows:

(a) Due Organization and Existence; Enforceability. The Lessor is a nonprofit public benefit corporation duly organized and existing under the laws of the State, and has the power to enter into this Lease, the Assignment Agreement, the Site Lease and the Trust Agreement; is possessed of full power to own and hold real and personal property, and to lease and sell the same; and has duly authorized the execution and delivery of all of the aforesaid Agreements. This Lease, the Site Lease, the Assignment Agreement and the Trust Agreement constitute the legal, valid and binding obligations of the Lessor, enforceable in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(b) No Encumbrances. The Lessor will not pledge or assign the Lease Payments or other amounts derived from the Leased Property and from its other rights under this Lease except the Lessor may create, assume or suffer to exist Permitted Encumbrances provided under the terms of this Lease, the Assignment Agreement and the Trust Agreement.

(c) No Violations. Neither the execution and delivery of this Lease, the Assignment Agreement, the Site Lease or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of the Articles of Incorporation or Bylaws creating the Lessor or any restriction or any agreement or instrument to which the Lessor is now a party or by which the Lessor is bound, or constitutes a default under any of the foregoing. Unless otherwise agreed to in writing by the Certificateholder, no lien on the Leased Property (except laborers’ and mechanics’ liens) senior to the lien established hereby shall be permitted.

(d) No Assignment. Except as provided herein, in the Assignment Agreement and in the Trust Agreement, the Lessor will not assign this Lease, its right to receive Lease Payments from the Lessee, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section; provided, however, that Lessor shall, with the prior written consent of the Certificateholder, have the absolute right to assign this Lease and its rights and obligations hereunder to any other such person, firm or corporation if the Lessee first obtains an opinion of Special Counsel to the effect that such assignment shall not cause the Interest Component to be subject to federal income taxation.

(e) Execution and Delivery. The Lessor has duly authorized and executed this Lease and the Site Lease in accordance with the Constitution and laws of the State.

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best of its knowledge, threatened against the Lessor in any way contesting or affecting the validity or enforceability of this Lease or the Site Lease or contesting the powers of the Lessor to execute and deliver this Lease or the Site Lease or to consummate the transactions contemplated hereby or thereby.

(g) Cooperation. The Lessor shall cooperate fully with the Lessee at the expense of the Lessee in filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of this Lease and shall cooperate fully with the Lessee in contesting any lien filed or established against the Leased Property, upon the request and at the expense of the Lessee pursuant to Article V of this Lease.

### ARTICLE III

#### DEPOSIT OF MONEYS; REFINANCING OF THE PROJECT

SECTION 3.1. Deposit of Moneys. In order to induce the Lessee to lease the Leased Property from the Lessor and to assure the Lessee that the moneys needed to refinance the Project will be available for such purpose without delay, the Lessor shall, on the Closing Date, cause moneys to be deposited with the Trustee as follows: (1) an amount equal to that set forth in Section 2.7(b) of the Trust Agreement for prepayment of the Prior Certificates shall be transferred to the Prior Trustee for deposit as provided in the Trust Agreement and (2) the balance of the proceeds of sale of the Certificates for the Lessee shall be deposited into the Costs of Delivery Fund, as otherwise particularly set forth in Section 2.7 of the Trust Agreement. All moneys held under the Trust Agreement shall be invested in accordance with the restrictions set forth in Section 7.2 thereof.

SECTION 3.2. Refinancing of the Project. The parties hereto agree that the proceeds of the Certificates shall be used to refund the Prior Certificates presently outstanding in the aggregate principal amount of \$8,400,000 and to pay the costs of executing and delivering the Certificates and incidental and related expenses.

SECTION 3.3. Leased Property. The Leased Property is the subject of the Site Lease and shall be deemed to be and is subleased under this Lease. The Lessee has leased the Leased Property to the Lessor in consideration, in part, for the Lessor's refinancing of the Project.

SECTION 3.4. Lessee to Act as Agent for the Lessor. Each item to be leased hereunder as a part of the Leased Property is of a category eligible for leasing by the Lessee.

SECTION 3.5. Disclaimers of the Lessor. The Lessee acknowledges and agrees that the design of the Leased Property has not been prepared by the Lessor, and the Lessor has not supplied any plans or specifications with respect thereto and that the Lessor (a) is not a manufacturer of, or a dealer in, any applicable component of the Leased Property, (b) has not made any recommendation, given any advice nor taken any other action with respect to (1) the choice of any supplier, vendor or designer of, or any other contractor with respect to, the Leased Property or any property or rights relating thereto or (2) any action taken or to be taken with respect to the Leased Property or any property or rights relating thereto at any stage of the acquisition, delivery or installation thereof, has not at any time had physical possession of the Leased Property or made any inspection thereof or any property or rights relating thereto and (d) has not made any warranty or other representation, express or implied, that the Leased Property or any property or rights relating thereto (1) will not result in or cause injury or damage to persons or property, (2) has been or will be properly designed or constructed or will accomplish the results which the Lessee intends therefor or (3) is safe in any manner or respect.

SECTION 3.6. Substitution of Alternate Leased Property and Release of Leased Property.

(a) With the consent of the Certificateholder, the Lessee shall have the right to substitute alternate property for the Leased Property provided for in Exhibit B hereto, if expressly agreed to in writing by the Certificateholder or add additional real property and/or personal property and/or equipment to the Leased Property, but only by providing the Trustee with a duly recorded amendment or supplement to this Lease in accordance herewith. All costs and expenses incurred in connection with any such substitution or addition shall be borne by the Lessee. Notwithstanding any substitution or addition pursuant to this Section, there shall be no reduction in or abatement of the Lease Payments due from the Lessee hereunder as a result of such substitution.

(b) If the Lessee substitutes any alternate real property, or equipment, as applicable, or Improvement for the Leased Property or adds additional components to the Leased Property, written notice of such substitution or addition shall be delivered by the Lessee, to the Certificateholder and to all rating agencies, if any, then rating the Certificates. The Lessee shall not substitute alternate real property or equipment, as applicable, or Improvements for the Leased Property or add an additional component to the Project, without first obtaining (i) an opinion of Special Counsel to the reasonable satisfaction of the Certificateholder to the effect that such substitution or addition shall not, in and of itself, impair the exclusion from gross income for federal income tax purposes of interest payable with respect to the Certificates, and (ii) a certificate of the Lessee (A) stating that the annual fair rental value of the Leased Property after the Substitution or Removal, in each year during the remaining term of this Lease, is at least equal to the maximum annual Lease Payments during the remaining term of the Lease, as determined by the Lessee on the basis of an appraisal of the Leased Property conducted by a member of the Appraisal Institute of America (MAI) designated by the Lessee, (B) demonstrating that the useful life of the Leased Property after Substitution or Removal equals or exceeds the remaining term of this Lease, and (C) stating that the Leased Property after a Substitution or Removal is as essential to the operations of the Lessee as was the Leased Property immediately prior to such Substitution or Removal.

(c) In the event of a Substitution or Removal, there shall also be delivered to the Lessor and the Trustee (i) a policy of title insurance acceptable to the Certificateholder in an amount equal to the same proportion of the principal amount as the Principal Components and Accreted Value Components of the Lease Payments attributable to the remaining portion of the real property portion of the Leased Property or the Substituted Leased Property bears to the total Principal Components of Lease Payments, insuring the Lessee's leasehold interest in the Substituted Leased Property (except any portion thereof which is not real property) subject only to Permitted Encumbrances, together with an endorsement thereto making said policy payable to the Trustee for the benefit of the Certificateholder and relating to

this Lease and evidence that no prior liens exist with respect to such Substituted Leased Property subject only to Permitted Encumbrances, (ii) in the event of a partial Removal, evidence that the title insurance in effect immediately prior thereto is not affected, and (iii) in all instances, evidence that the Substitution or Removal, in and of itself, has not caused or will not cause a downgrade or withdrawal of the then-existing credit ratings on the Certificates.

#### ARTICLE IV

##### AGREEMENT TO LEASE; TERMINATION OF LEASE; LEASE PAYMENTS; TITLE TO THE LEASED PROPERTY

SECTION 4.1. Lease. The Lessor hereby leases the Leased Property to the Lessee, and the Lessee hereby leases the Leased Property from the Lessor, upon the terms and conditions set forth in this Lease.

SECTION 4.2. Term of Agreement. The “Term” of this Lease shall mean the duration of this Lease for the Leased Property, which shall commence on the Closing Date and shall terminate on February 1, 20\_\_, unless earlier terminated in accordance with the following paragraph, provided, however that if Lease Payments remain unpaid at the expiration of the Lease Term, or provision shall not have been made for their payment, then this Lease shall not terminate until the earlier of (i) February 1, 20\_\_, (ii) the date on which the Certificates have been paid in full or (iii) the expiration of the term of the Lease in the event this Lease shall have been amended pursuant to Section 8.3 hereof, unless such term is sooner terminated as hereinafter provided; and provided further, however, that there shall be terminated with respect to the Leased Property, the entirety of Lessor’s interest which is transferred to the Lessee upon the end of its useful life, as provided in Section 4.5(b). If by February 1, 20\_\_, the Certificates shall not be fully paid, or if the rental payable hereunder shall have been abated at any time and for any reason, then said Term of this Lease shall be extended until ten days after all Certificates shall be fully paid, except that the Term of this Lease shall in no event be extended beyond the maximum period permitted by law. If all Certificates shall be fully paid, the Term of this Lease shall end ten days thereafter or ten days after written notice by the Lessee to the Lessor, whichever is earlier.

The Term of this Lease will end upon the earliest of any of the following events: (a) a default by the Lessee and the Lessor’s subsequent election to terminate this Lease under Section 9.2(b) hereof; (b) the payment by the Lessee of all Lease Payments required under Section 4.3 and any Additional Payments required under Section 4.6 hereof; (c) the deposit of moneys or Defeasance Obligations with the Trustee in amounts sufficient to pay all of the Lease Payments as the same shall become due, as provided by Section 10.1 hereof; or (d) upon the exercise by the Lessee of its option to purchase the entire interest of the Lessor in the Leased Property as provided in Section 4.5(c) hereof and payment of all amounts provided for hereunder.

##### SECTION 4.3. Lease Payments.

###### (a) Obligation to Pay.

(1) Time and Amount. Subject to the provisions of Article VI and Article X hereof, the Lessee agrees to pay to the Lessor, its successors and assigns, as rental for the use and possession of the Leased Property, the Lease Payments in the amounts specified in Exhibit A hereto, to be due and payable on each Lease Payment Date, which are intended to be sufficient in both time and amount to pay the Principal Components and Interest Components with respect to the Certificates due on the next Interest Payment Date. Delinquent Lease Payments, if any, shall be made to the Trustee for application in accordance with the Trust Agreement.

Lease Payments shall be paid from any source of legally available funds of the Lessee, and so long as the Leased Property, or a sufficient portion thereof, is available for the use, the Lessee covenants to take such action as may be necessary to include all Lease Payments due hereunder in its budgets and to make the necessary appropriations for all such Lease Payments and Additional Payments. During the Term hereof, the Lessee will furnish to the Trustee, no later than twenty (20) days following the adoption of the budget for its then-current fiscal year, and prior to the beginning of the fiscal year, a certificate of the Authorized Signatory to the effect that amounts stated in the Lessee's proposed annual budget for the payment of Lease Payments due under this Lease in the fiscal year covered by such budget and approved by the Governing Board are fully adequate for the payment of all Lease Payments due under this Lease in such fiscal year, in the form of Exhibit D to the Trust Agreement as provided in Section 10.2 of the Trust Agreement. The covenants on the part of the Lessee 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 Lessee 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 Lessee to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the Lessee.

(2) Credits. Any amount held in the Lease Payment Fund on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to Section 10.2 hereof and other amounts required for payment of the Principal Components and Interest Components with respect to any Certificates not presented for payment) shall be credited towards the Lease Payment then due and payable; and no Lease Payment need be made on any Lease Payment Date if the amounts then held in the Lease Payment Fund are at least equal to the Lease Payment then required to be paid and are to be used for such purpose. At such time as the moneys on hand in the Lease Payment Fund are equal to all Lease Payments remaining unpaid hereunder, such moneys shall be applied by the Trustee, pursuant to Section 13.1 of the Trust Agreement, to such Lease Payments on behalf of the Lessee and the Lessee shall not be required to make any further Lease Payments hereunder. A Lease Payment payable on a Lease Payment Date is consideration for the use and possession of the Leased Property to the next succeeding Lease Payment Date.

(3) No Withholding. Notwithstanding any dispute between the Lessor and the Lessee, including any dispute as to the failure of any Leased Property Component to perform the task for which it is leased, the Lessee shall make all Lease Payments when due and shall not withhold any Lease Payments pending the final resolution of such dispute.

(b) Terms and Effect of Prepayment and Purchase of the Leased Property.

(1) Optional Prepayment. The Lessee shall have the option to prepay in whole or in part on any date on and after February 1, 20\_\_, any portion of then unpaid Principal Components of its Lease Payments due on or after February 1, 20\_\_, at the prepayment price of their principal amount, plus accrued interest on such unpaid Principal Component of Lease Payments to the date of prepayment.

(2) In Whole; Exercise of Purchase Option. In the event that the Lessee exercises its option to purchase the entire interest of the Lessor in the Leased Property in accordance with Section 4.5(c) hereof by prepaying all remaining Lease Payments either by irrevocably making a security deposit with the Trustee as provided in Section 10.1 or from Net Insurance and Condemnation Proceeds as provided in Section 10.2 hereof, the Lessee's obligations under this Lease shall thereupon cease and terminate, including but not limited to the Lessee's obligations to continue to pay Lease Payments under this Section.

(3) In Part. In the event the Lessee prepays less than all of the remaining Principal Components of the Lease Payments pursuant to this Section or from Net Insurance and Condemnation Proceeds pursuant to Section 10.2, or pursuant to Section 10.3, the amount of such prepayment shall be applied proportionately over the remaining Term to reduce the Principal Components of the Lease Payments. Upon prepayment the Authorized Signatory of the Lessee shall prepare (or cause to be prepared) a revised schedule of Lease Payments which schedule shall take into account such prepayment and shall be and become for all purposes thereafter Exhibit A attached hereto.

(4) Notice and Timing of Prepayment. Before making any prepayment hereunder, the Lessee shall give written notice to the Lessor, the County Treasurer, the Business Services Representative, the Certificateholder and the Trustee describing such event and specifying the date on which the prepayment will be made, which notice shall be given no later than the forty-fifth (45th) day prior to the date scheduled for prepayment.

(c) Rate of Overdue Payments. In the event the Lessee should fail to make any of the payments required in this Section, the payments in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay the same with interest thereon, to the extent permitted by law, from the date such amount was originally payable at the rate equal to the net interest rate paid with respect to the Certificates.

(d) Fair Rental Value. The Lease Payments shall be paid by the Lessee in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Leased Property during each such period for which said payments have been paid. The parties hereto have agreed and determined that such payments represent at least the fair rental value of the Leased Property. In making such determination, consideration has been given to the obligations of the parties under this Lease (including but not limited to costs of maintenance, taxes and insurance), the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the Lessee and the general public.

(e) Assignment. The Lessee understands and agrees that, pursuant to the Assignment Agreement, the Lessor has assigned its right to receive and collect Lease Payments, Additional Payments and Prepayments thereof to the Trustee in trust for the benefit of the Certificateholder, and the Lessee assents to such assignment. The Lessor hereby directs the Lessee, and the Lessee hereby agrees to pay to the Trustee at the Trustee's Principal Office or to the Trustee at such other place as the Trustee shall direct in writing, all payments payable by the Lessee pursuant to this Section, Section 4.6 and Article X hereof.

(f) Abatement. Lease Payments shall be subject to abatement as provided in Section 6.1 hereof.

SECTION 4.4. Quiet Enjoyment. During the term of this Lease, the Lessor shall provide the Lessee with quiet use and enjoyment of the Leased Property, and the Lessee shall during such term peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble or hindrance from the Lessor, or any person or entity claiming under or through the Lessor except as expressly set forth in this Lease. The Lessor shall, at the request and expense of the Lessee, join in any legal action in which the Lessee asserts its right to such possession and enjoyment to the extent the Lessor may lawfully do so. Notwithstanding the foregoing, the Lessor shall have the right to inspect the Leased Property as provided in Section 7.3 hereof.



SECTION 4.5. Title to the Leased Property.

(a) Lessor Holds Leasehold Interest During Term. During the term of this Lease, the Lessor shall hold a leasehold interest in the Leased Property, and each discrete portion thereof, and any and all additions which comprise repairs, replacements or modifications thereto. The Lessee shall take any and all actions, including but not limited to executing and filing any and all documents, reasonably required to maintain and evidence the Lessor's interest in the Leased Property at all times during the Term of this Lease.

(b) Title Transferred to Lessee at End of Term. Upon expiration of the Term as set forth in Section 4.2 herein, unless such expiration occurs pursuant to a default by the Lessee and the Lessor has elected to terminate this Lease under Section 9.2(b) hereof, all right, title and interest of the Lessor in and to all of the Leased Property shall be transferred to and vest in the Lessee, without the necessity of any additional document of transfer, except that with respect to the Leased Property Component constituting real property, the Lessor shall authorize, execute and deliver to the Lessee any documents required to transfer all right, title and interest of the Lessor to such real property to the Lessee.

(c) Option to Purchase. The Lessee shall have the option to purchase the entire interest of the Lessor in the Leased Property by irrevocably making a security deposit with the Trustee as provided in Section 10.1 hereof or from Net Insurance and Condemnation Proceeds as provided in Section 10.2 hereof, by paying the purchase price therefor in the form of moneys or Defeasance Obligations, or a combination thereof, in an aggregate amount sufficient to provide for the payment of all of the total Lease Payments, as and when due, taking into account investment income to be earned on the deposit of such moneys and investments whereupon all right, title and interest of the Lessor in and to the Leased Property shall vest in the Lessee without the necessity of any additional document of transfer; provided that the Lessee provides the Trustee, the Lessor, the Certificateholder and the County Treasurer with an opinion of Special Counsel to the effect that such deposit will not cause the Interest Components of the Lease Payments to be includable in gross income of the Certificateholder for federal income tax purposes under the Code. In any such event, if necessary, the Lessor shall authorize, execute and deliver to the Lessee any documents reasonably requested by the Lessee to terminate this Lease in order to confirm such vesting of title in the Lessee.

SECTION 4.6. Additional Payments. As Additional Payments, the Lessee shall also pay such amounts as shall be required for the payment of all administrative costs of the Lessor relating to the Leased Property, the Project or the execution, sale and delivery of the Certificates, including, without limitation, the Lessee's obligation to pay all expenses, compensation and indemnification of the Trustee payable by the Lessee under the Trust Agreement (to the extent not paid or otherwise provided for out of the proceeds of the sale of the Certificates), taxes of any sort whatsoever payable by the Lessor as a result of its ownership of the Leased Property or its undertaking of the transactions contemplated herein or, as may be related to this Lease, in the Trust Agreement, fees of auditors, accountants, attorneys or engineers, insurance premiums, credit enhancement fees, and all other necessary administrative costs of the Lessor or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Certificates or of the Trust Agreement or to defend the Lessor.

Such Additional Payments shall be billed to the Lessee by the Lessor or by the Trustee on behalf of the Lessor from time to time, together with a statement certifying that the amount billed has been paid by the Lessor or by the Trustee on behalf of the Lessor for one or more of the items above described, or that such amount is then payable by the Lessor or the Trustee, as designated on the bill to the Lessee, within fifteen (15) days after receipt of the bill by the Lessee. Additional Payments due under this Section shall be paid by the Lessee directly to the person or persons to whom such amounts shall be payable.

SECTION 4.7. Additional Lease Payments. The Lease may be amended to provide for the execution and delivery of additional certificates of participation in Additional Lease Payments to be made by the Lessee with the prior written consent of the Certificateholder, provided that the following shall have occurred: (i) the Lease shall have been amended, to the extent necessary, so as to increase the Lease Payments payable by the Lessee under the Lease by an aggregate amount equal to the Principal Components and Interest Components represented by such additional certificates of participation, payable at such times and in such manner as may be necessary to provide for the payment of the principal and interest represented by such certificates; provided, however, that no such amendment shall be made such that the sum of Lease Payments, including any such amendment to the Lease, plus Additional Payments in any year shall be in excess of the annual fair rental value of the Leased Property; (ii) the Lessee shall not be in default under the Trust Agreement or any Supplemental Trust Agreement or under the Lease; and (iii) the Lessee has obtained the consent of the Certificateholder. Notwithstanding the foregoing and anything to the contrary in the Lease, in the Trust Agreement or in any Supplemental Trust Agreement, the Lease shall not be amended to provide for the execution and delivery of additional Certificates (1) if an Event of Default, (or any event which, once all notice and grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon the execution and delivery of such additional Certificates and (2) without the Certificateholder's prior written consent unless otherwise permitted by the Certificateholder.

## ARTICLE V

### MAINTENANCE; TAXES; INSURANCE; OTHER MATTERS

SECTION 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Property, all repair and maintenance of the Leased Property shall be the responsibility of the Lessee, and the Lessee shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the Lessee or any sublessee thereof. In exchange for the Lease Payments herein provided, the Lessor agrees to provide only the Leased Property, as hereinbefore more specifically set forth. The Lessor shall have no responsibility for making improvements and additions to the Leased Property other than as set forth herein.

The Lessee shall also pay or cause to be paid any and all sales taxes or other taxes, levies, charges, withholdings, assessments and governmental charges of any nature whatsoever, together with any additions to tax, penalties, fines or interest thereon charged against the Leased Property, as Additional Payments under Section 4.6 hereof, including, without limitation, penalties, fines or interest arising out of any delay or failure by the Lessee to pay any of the foregoing or failure to file or furnish to the Lessor or the Trustee for filing in a timely manner any returns, hereinafter levied or imposed against the Lessor or the Leased Property, the rentals and other payments required hereunder or any parts thereof or interests in the Lessee or the Lessor or the Trustee therein by any governmental authority.

### SECTION 5.2. Modification of the Leased Property.

(a) The Lessee shall, at its own expense, have the right to make additions, modifications, and improvements to the Leased Property if such improvements are necessary or beneficial for the use of the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage the Leased Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would impair the tax status of the Interest Components of the Lease Payments; and the Leased Property, upon completion of any additions, modifications and improvements made pursuant to this

Section, shall be of a value in the aggregate which is not less than the value of the Leased Property immediately prior to the making of such additions, modifications and improvements.

(b) The Lessee will not permit any mechanic's or other lien to be established or to remain against the Leased Property for labor or materials furnished in connection with any additions, modifications, remodeling, construction or improvements made by the Lessee pursuant to this Section, except Permitted Encumbrances; provided, that if any such lien is established and the Lessee shall first notify or cause to be notified the Lessor of the Lessee's intention to do so, the Lessee may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the liens so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Lessor with full security against any loss or forfeiture which might arise from such nonpayment with respect to the Leased Property, in form satisfactory to the Lessor. The Lessor will cooperate fully in any such contest, upon the request and at the expense of the Lessee.

SECTION 5.3. Public Liability and Property Damage Insurance; Workers' Compensation Insurance.

(a) Public Liability and Property Damage. The Lessee shall maintain or cause to be maintained, throughout the Term of this Lease, a standard comprehensive general public liability and property damage insurance policy or policies in protection of the Lessee, its 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 operation of the Leased 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 each accident or event, and in a minimum amount of \$150,000 (subject to a deductible clause of not to exceed \$50,000) for damage to property resulting from each 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 by the Lessee, and may be maintained in the form of self-insurance by the Lessee with the consent of the Certificateholder.

The Net Insurance and Condemnation Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid, including, where appropriate, the application of Net Insurance and Condemnation Proceeds with respect to the prepayment of the Lease Payments. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the Lessee.

As an alternative to providing the insurance required by the first paragraph of this Section, the Lessee, with the written consent of the County Treasurer and the Certificateholder, may provide a self-insurance method or plan of protection which shall afford reasonable protection to the Lessor, its directors, officers, agents and employees and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State other than the Lessee. Before such method or plan may be provided by the Lessee, there shall be filed with the Trustee and the Certificateholder a certificate of an actuary, Insurance Consultant or other qualified person to the satisfaction of the County Treasurer and the Certificateholder, stating that, in the opinion of the signer, the substitute method or plan of protection, is in accordance with the requirements of this Section and, when effective, would afford reasonable protection to the Lessor, its directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks

covered thereby and Trustee may conclusively rely thereon. There shall also be filed a certificate of the Lessee setting forth the details of such substitute method or plan.

(b) Workers' Compensation. The Lessee shall also maintain or require (in the case of vendors or contractors and all subcontractors) throughout the Term of this Lease, workers' compensation insurance issued by a responsible carrier authorized under the laws of the State covering all employees working on the Project and the Leased Property, in the same amount and type as other workers' compensation insurance maintained by the Lessee for similar employees doing similar work (and the Lessee shall also require any other person or entity working on the Project and the Leased Property to carry the foregoing amount of workers' compensation insurance). Workers' compensation insurance may, to the extent provided by law, be maintained in the form of self-insurance.

SECTION 5.4. Fire and Theft Insurance. The Lessee shall maintain or cause to be maintained, throughout the Term of this Lease, insurance against loss or damage to any or all of the Leased Property by fire and lightning, with extended coverage endorsement (which extended coverage endorsement shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and other hazards as are normally covered by such insurance), vandalism and malicious mischief insurance, sprinkler system leakage insurance, boiler insurance, and against loss of any of the Leased Property by theft.

Such insurance shall be in an amount equal to the greater of 100% of the replacement cost of the Leased Property (or, if under separate policies, in an aggregate amount equal to 100% of the replacement cost of the Leased Property) or the outstanding Principal Components of the Certificates, except that such insurance may be subject to deductible clauses of not to exceed \$50,000 for any one loss; *provided, however,* that in no event shall such insurance be maintained in an aggregate amount less than the aggregate Principal Components of Certificates at that time Outstanding. Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the Lessee and with the consent of the Certificateholder may be maintained in the form of self-insurance by the Lessee. The Net Insurance and Condemnation Proceeds of each policy or coverage shall be applied as provided in Section 6.2(a) and (c) hereof.

SECTION 5.5. Rental Interruption and Title Insurance.

(a) The Lessee shall maintain or cause to be maintained with a reputable commercial insurer throughout the Term of this Lease insurance against loss, total or partial, of the use and occupancy of the Leased Property as a result of any of the hazards covered by Section 5.4 hereof, in an amount not less than the maximum remaining scheduled Lease Payments for a 24-month period, except that such insurance need be maintained as to the peril of earthquake only if such insurance is available at reasonable cost on the open market from reputable insurance companies. Such insurance shall be subject to a deductible clause not to exceed \$50,000. Such insurance may be maintained as part of or in conjunction with any other rental interruption insurance carried by the Lessee but may not be maintained as self-insurance. The Net Insurance and Condemnation Proceeds of such insurance shall be paid to the Trustee and deposited in the Lease Payment Fund, and shall be credited toward the payment of the Lease Payments in the order in which such Lease Payments come due and payable. The policy shall cover all components of the Leased Property and the facilities comprising the Leased Property.

SECTION 5.6. General Insurance Provisions.

(a) Form of Policies. All policies of insurance obtained under the requirements of this Lease and any statements of self-insurance shall be in forms certified by an insurance agent, broker or consultant to the Lessee to comply with the provisions hereof unless waived by the Certificateholder.

Any insurance policy obtained under the requirements of this Lease shall be issued by a commercial insurer rated at least "A" by S&P unless otherwise consented to in writing by the Certificateholder, and shall be written or endorsed to list the Certificateholder, the Trustee, the Lessor and the Lessee as additional named insureds and the Certificateholder as loss payee, with in all instances the net proceeds, if any, of the insurance policy described in Section 5.5(a) above to be deposited in the Lease Payment Fund, and each insurance policy provided for herein shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interests of the Trustee, the Lessor or the Lessee or fail to renew such policy without first giving written notice thereof to the Trustee, the Lessor and the Lessee at least thirty (30) days in advance of such intended cancellation or modification or failure to renew; provided that, the Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustments, compromise or settlement of any loss agreed to by it.

(b) Payment of Premiums. The Lessee shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease, and shall promptly furnish or cause to be furnished to the Trustee a certificate to such effect accompanied by evidence of such payments.

(c) Evidence of Insurance. The Lessee will deliver to the Lessor, the Certificateholder and the Trustee by May 30 of each year a certificate, substantially in the form of Exhibit C hereto, to the effect that the requirements of Sections 5.3, 5.4, 5.5 and 5.6 hereof have been satisfied, together with a certificate or certificates of an Insurance Consultant evidencing such satisfaction. Upon request, the Lessee shall provide a schedule, in such detail as the Lessor, the Business Services Representative, the County Treasurer, the Certificateholder or the Trustee may reasonably request, setting forth any insurance policies then in force described in this Lease, listing the names of the insurers which have issued the policies, the policy limits thereof and the hazards and risks covered thereby, or the certificate of an Insurance Consultant providing similar information. The Trustee is entitled to rely on such certificates as to the Lessee's compliance with these provisions and the Trustee has no further duties in that regard.

(d) Self-Insurance Requirements. If the Lessee chooses to self-insure for any of the risks described in Sections 5.3 and 5.4 hereof for which self-insurance is permitted, it must on at least an annual basis in the month of July provide evidence to the Trustee, the Certificateholder and the Lessor to the effect that (i) the Lessee has segregated amounts meeting such requirements in a special insurance reserve account dedicated to the Leased Property, (ii) a certificate of an Insurance Consultant to the Trustee and the Certificateholder and the Lessor to the effect that the Lessee's general insurance reserves are adequate to provide the required amount of coverage, and (iii) an actuarial statement attesting to the sufficiency of the program's assets. The Trustee may conclusively rely upon such certificates.

The Lessee agrees that in the event the self-insurance program is discontinued, the actuarial soundness of the special insurance reserve account shall be maintained.

SECTION 5.7. Liens. Except as provided in this Article (including without limitation Section 5.2(b)), the Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, liens, charges, encumbrances or claims, as applicable, on or with respect to the Leased Property, or any portion thereof, other than the respective rights of the Lessor and the Lessee as herein provided and Permitted Encumbrances. Except as expressly provided in this Article, the Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The Lessee shall reimburse the Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

SECTION 5.8. Use of the Leased Property. The Lessee represents and warrants that it has or will, as of the Closing Date, have an immediate need for, and expects to make immediate use of the Leased Property, which need is not temporary or expected to diminish in the foreseeable future. The Lessee agrees not to give priority in the appropriation of funds for the construction, acquisition or use of any additional Equipment or facilities, as the case may be, performing functions similar to that performed by the Leased Property.

SECTION 5.9. Tax Covenants. In order to maintain the exclusion from gross income for federal income tax purposes of the Interest Component of each Lease Payment due under this Lease, the Lessee covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code. In furtherance of this covenant, the Lessee agrees to comply with the Tax Certificate, which is incorporated herein by this reference, as such Tax Certificate may be amended from time to time.

SECTION 5.10. Advances. If the Lessee shall fail to perform any of its obligations under this Article, the Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money on behalf of the Lessee, and the Lessee shall be obligated to repay all such advances as soon as possible, with interest at the rate of twelve percent (12%) per annum from the date of the advance to the date of repayment, but in no event shall such rate exceed the maximum legal rate of interest applicable to similar obligations of community college districts.

SECTION 5.11. Agreement to Pay Program Expenses. The Lessee agrees to pay to the Trustee, as the assignee of the Lessor, all Program Expenses of the Lessor charged to the Lessee and Program Expenses charged to the Lessee by the Trustee as provided in the Trust Agreement.

SECTION 5.12. Books and Records. The Lessee will at all times during the Term of this Lease keep proper books of record and account in which full, true and correct entries in conformity with applicable law shall be made of all dealings and transactions in relation to its activities. The Lessee will permit the Lessor, any authorized representatives of the Lessor and the Lessor's successors and assigns at reasonable times and intervals upon prior written notice to examine and make abstracts, subject to proprietary and confidentiality policies and agreements of or binding upon the Lessee, from the Lessee's books and records and to discuss the Lessee's affairs, finances and account with the Lessee's officers and independent accountants. The Lessee will promptly notify the Lessor if at any time the Lessee shall not maintain a positive fund balance in its general fund.

## ARTICLE VI

### DAMAGE AND DESTRUCTION; USE OF NET INSURANCE AND CONDEMNATION PROCEEDS

SECTION 6.1. Abatement of Lease Payments in Event of Loss of Use. A proportional amount of the Lease Payments shall be abated during any period in which, by reason of condemnation, damage or destruction, there is substantial interference with the use and possession of the Leased Property, or any discrete portion thereof, by the Lessee. The amount of such abatement shall be determined by the Lessee such that the resulting Lease Payments represent fair consideration for the use and possession of the portion of the Leased Property not condemned, damaged or destroyed. Such abatement shall commence on the date of condemnation, damage or destruction and shall end with the substantial completion of the replacement or work of repair. There shall be no abatement in Lease Payments as a result of any design defects other than design defects that result in condemnation, damage or destruction with regard to the Leased Property, it being the intention of the parties hereto that recourse in such event would be made to the Contractor or Vendor. Except as provided herein, in the event of any such condemnation, damage or destruction, this Lease shall continue in full force and effect and the

Lessee waives any right to terminate this Lease by virtue of any such condemnation, damage or destruction, including any rights otherwise granted under California Civil Code Sections 1932(2) and 1933(4).

SECTION 6.2. Application of Net Insurance and Condemnation Proceeds.

(a) Net Insurance and Condemnation Proceeds shall be deposited in the Net Insurance and Condemnation Proceeds Fund by the Trustee promptly upon receipt thereof and, if the Lessee's Authorized Signatory notifies the Lessor and the Trustee in writing of the Lessee's determination, made within forty-five (45) days from the date of destruction or condemnation of the Property, that the replacement or repair of the affected portion of the Leased Property is not economically feasible or in the best interests of the Lessee, then such Net Insurance and Condemnation Proceeds shall be promptly transferred by the Trustee to the Prepayment Fund and applied as provided in Section 10.2 unless, as provided in Section 4.2 of the Trust Agreement, such Net Insurance and Condemnation Proceeds together with funds then on hand in the Lease Payment Fund are insufficient to prepay all of that portion of the Certificates representing interests in the Lease Payments for the Leased Property or relevant portion thereof in which event, such Net Insurance and Condemnation Proceeds will be deposited in a separate account by the Trustee and invested and used in accordance with Section 4.2 of the Trust Agreement.

(b) Notwithstanding the foregoing, the Lessee may within forty-five (45) days from the date of destruction or condemnation of the Leased Property determine whether to repair the damaged or condemned Leased Property or affected portion of the Leased Property, only if (i) the Net Insurance and Condemnation Proceeds available for such purpose, together with any other funds supplied by the Lessee for such purpose, are sufficient therefor, and (ii) in the event that damage or destruction results in an abatement of Lease Payments, the Lessee's Authorized Signatory certifies and covenants to the Lessor and the Trustee that such replacement or repair can be fully completed within a period not in excess of the period in which rental interruption insurance proceeds will be available to pay in full all Lease Payments coming due during such period as described in Section 5.5 hereof.

(c) All Net Insurance and Condemnation Proceeds deposited in the Net Insurance and Condemnation Proceeds Fund and not so transferred to the Prepayment Fund as provided in Section 6.2(a) shall be applied to the prompt replacement or repair of the affected portion of the Leased Property by the Lessee, upon receipt of a requisition signed by the Lessee's Authorized Signatory (a "Requisition") stating with respect to each payment to be made (i) the Requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due, (iii) the amount to be paid and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Net Insurance and Condemnation Proceeds Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Trustee may conclusively rely on the Requisition as to the amount of such obligation and on the representations set forth therein. Any balance of the Net Insurance and Condemnation Proceeds remaining after such replacement or repair has been completed shall, after payment of amounts due the Trustee be paid to the Lessee upon written request of the Lessee.

SECTION 6.3. Laws and Ordinances. The Lessee agrees to observe and comply with all rules, regulations and laws applicable to the Lessee with respect to the Leased Property and the Project and the operation thereof. The cost, if any, of such observance and compliance shall be borne by the Lessee, and the Lessor shall not be liable therefor. The Lessee agrees further to place, keep, use, maintain and operate the Leased Property and the Project in such a manner and condition as will provide for the safety of its agents, employees, invitees, subtenants, licensees and the public.

## ARTICLE VII

### DISCLAIMER OF WARRANTIES; ACCESS TO THE LEASED PROPERTY

SECTION 7.1. Disclaimer of Warranties. THE LESSOR AND ITS ASSIGNS MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE LESSEE OF THE LEASED PROPERTY OR ANY LEASED PROPERTY COMPONENT. THE LESSEE ACKNOWLEDGES THAT THE LESSOR IS NOT A MANUFACTURER OF ANY EQUIPMENT COMPRISING THE LEASED PROPERTY OR A DEALER THEREIN, AND THE LESSEE IS LEASING THE LEASED PROPERTY COMPONENTS "AS-IS," IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE LESSEE. In no event shall the Lessor or its assigns be liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease, the Site Lease or the Trust Agreement for the existence, furnishing, functioning or use and possession of the Leased Property. In no event shall the Lessor, the Trustee or its assignees be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or the use of any item or products provided for in this Lease.

SECTION 7.2. Lessee's Right to Enforce Warranties. The Lessor hereby irrevocably appoints the Lessee as its agent and attorney-in-fact during the term of this Lease, so long as the Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights, including without limitation, warranty claims, claims for indemnification and claims for breach of any representations, respecting the Leased Property which the Lessor may have against any vendor or contractor. The Lessee's sole remedy for the breach of any such warranty, indemnification or representation shall be against the vendor or contractor with respect thereto, and not against the Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of the Lessor with respect to this Lease, including the right to receive full and timely Lease Payments and all other payments due hereunder. The Lessee shall be entitled to retain any and all amounts recovered as a result of the assertion of any such claims and rights. The Lessor shall, upon the Lessee's request and at the Lessee's expense, do all things and take all such actions as the Lessee may request in connection with the assertion of any such claims and rights. The Lessee expressly acknowledges that the Lessor makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties of the manufacturer or vendor or contractor.

SECTION 7.3. Access to the Leased Property and the Project. The Lessee agrees that the Lessor, any Lessor Representative and the Lessor's successors or assigns, shall have the right (but no duty) at all reasonable times to enter upon and to examine and inspect the Leased Property and the Project. The Lessee further agrees that the Lessor, any Lessor Representative, and the Lessor's successors or assigns shall have such rights of access to the Leased Property and the Project as may be reasonably necessary to cause the proper maintenance of the Leased Property and the Project in the event of failure by the Lessee to perform its obligations hereunder; provided, however, that the Lessor's assigns shall have no duty to cause such proper maintenance.

SECTION 7.4. Release and Indemnification Covenants. To the extent permitted by law, the Lessee shall and hereby agrees to indemnify and save the Lessor and its successors, assigns, agents, officers, employees and servants harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on the Leased Property by the Lessee, (ii) any breach or default on the part of the Lessee in the performance of any of its obligations under this Lease, (iii) any act or negligence of



the Lessee or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Property, or (iv) any act or negligence of any assignee or sublessee of the Lessee with respect to the Leased Property. No indemnification is made under this Section or elsewhere in this Lease for claims, losses or damages, including legal fees and expenses arising out of the willful misconduct or gross negligence, under this Lease by the Lessor, its officers, agents, employees, successors or assigns. For purposes of this indemnification, Leased Property includes alternate Leased Property pursuant to Section 3.3 or Section 3.6 hereof.

## ARTICLE VIII

### ASSIGNMENT, SUBLEASING AND AMENDMENT

SECTION 8.1. Assignment by the Lessor. Certain of the Lessor's rights under this Lease, including the right to receive and enforce payment of the Lease Payments to be made by the Lessee under this Lease, have been assigned to the Trustee, subject to certain exceptions, pursuant to the Assignment Agreement, to which assignment the Lessee hereby consents. Except as provided herein and in the Trust Agreement, the Lessor will not assign this Lease, its right to receive Lease Payments from the Lessee, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in Section 2.2.

SECTION 8.2. Assignment and Subleasing by the Lessee. This Lease may be assigned by the Lessee with the prior written consent of the Certificateholder and the Rating Agencies so long as such assignment does not adversely affect the exclusion from gross income for federal income tax purposes of the Interest Component of the Lease Payments. The Lessee may sublease the Leased Property, with the prior written consent of the Lessor and the Certificateholder subject to all of the following conditions:

- (i) this Lease and the obligation of the Lessee to make Lease Payments hereunder shall remain obligations of the Lessee;
- (ii) the Lessee shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Lessor and the Trustee a true and complete copy of such sublease;
- (iii) no sublease by the Lessee shall cause the Leased Property to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the laws of the State;
- (iv) no sublease shall cause the Interest Component of the Lease Payments due with respect to the Leased Property to become included within gross income for federal income tax purposes or subject to State personal income taxes, as evidenced by an opinion of Special Counsel; and
- (v) in the event that this Lease is assigned by the Lessee, the obligation to make Lease Payments hereunder shall remain the obligation of the Lessee.

SECTION 8.3. Amendment. Lessee will not alter, modify or cancel or agree or consent to alter, modify or cancel this Lease except as permitted by Article IX of the Trust Agreement and except to provide for any Additional Lease Payments, pursuant to Section 4.7 hereof, or any substitution, pursuant to Section 3.6 hereof.

## ARTICLE IX

### EVENTS OF DEFAULT AND REMEDIES

SECTION 9.1. Events of Default Defined. The following shall be “events of default” under this Lease and the terms “events of default” and “default” shall mean, whenever they are used in this Lease, any one or more of the following events:

(i) Failure by the Lessee to pay any Lease Payment required to be paid hereunder by not later than ten (10) Business Days before the Payment Date immediately following each corresponding Lease Payment Date.

(ii) Failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto or in the Trust Agreement, other than as referred to in clause (i) of this Section, for a period of (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Lessee by the Lessor, the Trustee or the Certificateholder; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Lessor, the Trustee acting at the direction of the Certificateholder, shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

(iii) The filing of a voluntary petition in bankruptcy by the Lessee, or the failure by the Lessee promptly to institute judicial proceedings to lift any execution, garnishment or attachment of such consequence as will materially impair its ability to carry on its operations, or the filing of a petition by the Lessee under the Federal Bankruptcy Code, or the adjudication of the Lessee as insolvent or as a bankrupt, or any assignment by the Lessee for the benefit of its creditors, or the application for, or consent to, the appointment of any receiver, trustee, custodian or similar officer by the Lessee or the entry by the Lessee into an agreement of composition with its creditors.

The Lessor’s failure to perform any of its obligations hereunder shall not be an event permitting the nonpayment of Lease Payments by the Lessee or the termination of this Lease by the Lessee.

### SECTION 9.2. Remedies on Default.

(a) Upon the occurrence and continuance of an event of default specified in Section 9.1 above, the Lessor shall, only at the direction of the Certificateholder, proceed to:

(i) Protect and enforce this Lease by such judicial proceedings as the Lessor or its assignee shall deem most effectual, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in this Lease, or in aid of the exercise of any power granted in this Lease, or to enforce any other legal or equitable right vested in the Lessor or its assignee by this Lease or by law;

(ii) Take possession of the Leased Property and exclude the Lessee from using it until the default is cured, holding the Lessee liable for the Lease Payments and other amounts payable by the Lessee prior to such taking of the Leased Property under and pursuant to this Lease and curing of such default; or

(iii) Take whatever actions at law or in equity appear necessary or desirable to enforce its rights as the owner of the Leased Property, including termination of this Lease and the repossession, re-letting (with an approving opinion of Special Counsel) or sale (with an approving opinion of Special Counsel) of the Leased Property.

Any abatement of Lease Payments due to damage or destruction of any Leased Property will not constitute an event of default hereunder.

Notwithstanding anything herein or in the Trust Agreement to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. After the occurrence of an event of default hereunder, the Lessee will surrender possession of the Leased Property to the Lessor, if requested to do so by the Lessor, the Trustee or the Certificateholder in accordance with the provisions of the Trust Agreement.

(b) No Termination: Repossession and Re-Lease on Behalf of Lessee. In the event the Lessor, at the direction of the Certificateholder, does not elect to terminate this Lease in the manner hereinafter provided for, the Lessor with the consent of the Lessee, which consent is irrevocably given, may repossess the Leased Property and re-let it for the account of the Lessee, in which event the Lessee's obligation under this Lease will continue to accrue from year to year in accordance with this Lease and the Lessee will continue to receive the value of the use of the Leased Property from year to year in the form of credits against its obligation to pay Lease Payments. The obligations of the Lessee shall remain the same as prior to such default to pay Lease Payments whether the Lessor re-enters or not. The Lessee agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions contained herein and shall reimburse the Lessor for any deficiency arising out of the re-letting of the Leased Property, or, in the event the Lessor is unable to re-let the Leased Property, then for the full amount of all Lease Payments to the end of the term of this Lease, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as provided above for the payment of Lease Payments hereunder, notwithstanding such repossession by the Lessor or any suit, brought by the Lessor for the purpose of effecting such repossession of the Leased Property or the exercise of any other remedy by the Lessor.

The Lessee hereby irrevocably appoints the Lessor as the agent and attorney-in-fact of the Lessee to repossess and re-let the Leased Property in the event of default by the Lessee in the performance of any covenants contained herein to be performed by the Lessee and to remove (any removal to be done with reasonable prudence) all personal property connected to or made a part of the Leased Property, to place such Property in storage or other suitable place in the County of Los Angeles, for the account of and at the expense of the Lessee, and the Lessee hereby exempts and agrees to save harmless the Lessor from any costs, loss or damage whatsoever arising or occasioned by any such repossession and re-letting of the Leased Property. The Lessee hereby waives any and all claims for damages caused or which may be caused by the Lessor in repossessing the Leased Property as provided herein and all claims for damages that may result from the destruction of or the injury to the Leased Property and all claims for damage to or loss of any property belonging to the Lessee that may be in or upon the Leased Property.

The Lessee agrees that the terms of this Lease constitute full and sufficient notice of the right of the Lessor to re-let the Leased Property in the event of such repossession without effecting a surrender of this Lease, and further agrees that no acts of the Lessor in effecting such re-letting shall constitute a surrender or termination of this Lease irrespective of 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 default by the Lessee the right to terminate this Lease shall vest in the Lessor to be effected in the

sole and exclusive manner provided for in subparagraph (c) below. The Lessee further waives the right to any rental obtained by the Lessor in excess of the Lease Payments and hereby conveys and releases such excess to the Lessor as compensation to the Lessor for its services in re-letting the Leased Property. In the event that the liability of the Lessee under this subsection (b) is held to constitute indebtedness or liability in any year exceeding the income and revenue provided for such year, the Lessor, or the Trustee or the Certificateholder as assignee of the Lessor, shall not exercise the remedies provided in this subsection (b).

(c) Termination: Repossession and Re-Lease. In the event of the termination of this Lease by the Lessor, at the direction of the Certificateholder, and in the manner hereinafter provided on account of default by the Lessee (and notwithstanding any repossession of the Leased Property by the Lessor in any manner whatsoever or the sale or re-letting of the Leased Property), the Lessee nevertheless agrees to pay to the Lessor all costs, losses or damages, but not Lease Payments, howsoever arising or occurring payable at the same time and in the same manner as is provided herein in the case of payment of Lease Payments. Unless waived by the Certificateholder, notwithstanding any other provision herein, following an event of default, the Trustee, acting at the direction of the Certificateholder, shall have the right to re-enter and re-let the Leased Property and to terminate this Lease. Any proceeds of the re-letting or other disposition of the Leased Property or the sale of the Improvements located on the Leased Property by the Lessor shall, after payment of the fees and expenses of the Trustee, be deposited into the Lease Payment Fund and be applied in accordance with the provisions of Section 5.5 of the Trust Agreement. Any surplus received by the Lessor from such sale or re-letting shall be the absolute property of the Lessor and the Lessee shall have no right thereto, nor shall the Lessee be entitled to any credit in the event of a surplus in the rentals received by the Lessor for the Leased Property. Neither notice to pay rent or to deliver up possession of the Leased Property given pursuant to law nor any proceeding taken by the Lessor to recover possession of the Leased Property shall by itself operate to terminate this Lease, and no termination of this Lease on account of default by the Lessee shall be or become effective by operation of law, or otherwise, unless and until the Lessor shall have given written notice to the Lessee of the election on the part of the Lessor to terminate this Lease. The Lessee covenants and agrees that no surrender of the Leased Property or of the remainder of the term hereof or any termination of this Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Lessor by such written notice. No such termination shall be effected whether by operation of law or acts of the parties hereto, except only in the manner herein expressly provided.

SECTION 9.3. No Remedy Exclusive. No remedy conferred herein upon or reserved to the Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

SECTION 9.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

SECTION 9.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other

party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 9.6. Application of the Proceeds from the Sale or Lease of the Leased Property. All amounts received by the Lessor under this Article other than as provided in Section 9.2(b) herein, after payment of all fees and expenses of the Trustee including but not limited to attorneys' fees and expenses, shall be applied by the Trustee as set forth in Section 12.5 of the Trust Agreement.

SECTION 9.7. Trustee and Certificateholder to Exercise Rights. Such rights and remedies shall be exercised by the Trustee (subject to its rights and protections set forth in the Trust Agreement), and the Certificateholder as provided in the Trust Agreement.

## ARTICLE X

### PREPAYMENT OF LEASE PAYMENTS AND PURCHASE OF LEASED PROPERTY

SECTION 10.1. Security Deposit. Notwithstanding any other provision of this Lease, the Lessee may on any date exercise its option to purchase the entire interest of the Lessor in the Leased Property by an irrevocable deposit by it with the Trustee of (i) an amount of cash which, together with amounts on deposit in the Lease Payment Fund, is sufficient to pay the Lessee's unpaid Lease Payments, in accordance with the Lease Payment schedule set forth in Exhibit A hereto, or (ii) Defeasance Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant (which opinion shall be addressed, delivered to the Trustee and acceptable to the Certificateholder), together with interest to accrue thereon, and money then on deposit in the Lease Payment Fund, together with interest thereon, be fully sufficient to pay all of the unpaid Lease Payments on the Lease Payment Dates or by prepayment thereof pursuant to Section 10.2 hereto, as the Lessee shall instruct at the time of said deposit and be sufficient to discharge the Certificates in accordance with the provisions of the Trust Agreement. In the event of a deposit pursuant to this Section (and provided that the Lessee has paid all Additional Payments due or accrued through the date of such deposit), all obligations of the Lessee under this Lease, and all security provided by this Lease for said obligations, shall cease and terminate, excepting only the obligation of the Lessee to make, or cause to be made, Lease Payments from the deposit made by the Lessee pursuant to this Section, and the entire interest of the Lessor in the Leased Property shall vest in the Lessee on the date of said deposit automatically and without further action by the Lessee or the Lessor (except as provided herein); provided, that vesting of title to the Leased Property in the Lessee shall be subject to the subsequent payment of Lease Payments made from said deposit in accordance with the provisions of this Lease. Said deposit shall be deemed to be and shall constitute a special fund for the payment of the Lease Payments in accordance with the provisions of this Lease. The Lessor shall execute and deliver such further instruments and take such further action as may reasonably be requested by the Lessee for carrying out the title transfer of the Leased Property.

SECTION 10.2. Mandatory Prepayment From Net Insurance and Condemnation Proceeds. The Lessee shall be obligated to prepay the Lease Payments in whole or in part from and to the extent of any Net Insurance and Condemnation Proceeds heretofore transferred to the Prepayment Fund pursuant to Section 6.1 of the Trust Agreement subject to the requirements of Section 6.2(a) hereof and Section 6.1 of the Trust Agreement. The Lessee and the Lessor hereby agree that such Net Insurance and Condemnation Proceeds shall be credited towards the Lessee's obligations hereunder. Except in the case of such prepayment of the Lease Payments in whole, such prepayment shall be credited to the Lessee and applied proportionately over the remaining Lease Payments.

SECTION 10.3. Credit for Amounts on Deposit. In the event of prepayment of the Principal Components of the Lease Payments in full under Section 10.1, all amounts then on deposit in the Lease Payment Fund shall be credited toward the amounts then required to be so prepaid.

## ARTICLE XI

### ADDITIONAL COVENANTS

SECTION 11.1. Compliance with and Enforcement of this Lease. The Lessee covenants and agrees with the Certificateholder to perform all obligations and duties imposed upon the Lessee hereunder. The Lessor covenants and agrees with the Certificateholder to perform all obligations and duties imposed upon the Lessor under this Lease.

The Lessee will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission or refraining from action, would or might be a ground for cancellation or termination of this Lease by the Lessor hereunder. The Lessor and the Lessee, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting its estate in the Leased Property, which may or can in any manner affect such estate of the Lessee, will deliver the same, or a copy thereof, to the Trustee and the Certificateholder.

SECTION 11.2. Observance of Laws and Regulations. The Lessee will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by it, including its right to exist and carry on business as a community college district or similar entity, as the case may be, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

SECTION 11.3. Prosecution and Defense of Suits. The Lessee shall promptly, and also upon request of the Trustee (it having no obligation to make such request) or the Business Services Representative, the County Treasurer, or the Certificateholder, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Leased Property, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Certificateholder harmless from all loss, cost, damage and expense, including attorneys' fees and expenses, which it may incur by reason of any such defect, cloud, suit, action or proceeding.

SECTION 11.4. Further Assurances. The Lessor and the Lessee will 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 the Trust Agreement, and for the better assuring and confirming unto the Certificateholder of the rights and benefits provided herein.

ARTICLE XII

MISCELLANEOUS

SECTION 12.1. Notices. Notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received five Business Days after deposit in the United States first-class mail, postage prepaid, to the named party at the following addresses:

- If to the Lessee: Santa Monica Community College District  
1900 Pico Boulevard  
Santa Monica, California 90405  
Attention: Mr. Robert Isomoto  
Vice President, Business/Administration
- If to the Trustee: The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, Suite 400  
Los Angeles, California 90071  
Attention: Deborah Young, CCTS, Vice President
- If to the Lessor: Los Angeles County Schools  
Regionalized Business Services Corporation  
9300 East Imperial Highway  
Downey, California 90242-2890  
Attention: Marlene P. Dunn  
Assistant Director, Financial Management Services
- If to the County Treasurer: Los Angeles County Treasurer and Tax Collector  
Office of Public Finance  
500 West Temple Street, Room 434  
Los Angeles, California 90012  
Attention: John Patterson
- If to the Certificateholder: Capital One, N.A.

Attention:

SECTION 12.2. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Lessor and the Lessee and their respective successors and assigns.

SECTION 12.3. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

SECTION 12.4. Lessor Not Liable. The Lessor and its directors, officers, agents and employees and the Trustee shall not be liable to the Lessee or to any other party whomsoever 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 Leased Property or any Leased Property Component.

SECTION 12.5. Net-Net-Net Lease. This Lease shall be deemed and construed to be a “net-net-net lease” and the Lessee hereby agrees that the Lease Payments shall be an absolute net return to the Lessor, free and clear of any expenses, charges or set-offs whatsoever, except as expressly provided herein.

SECTION 12.6. Further Assurances and Corrective Instruments. The Lessor and the Lessee agree that they will, 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 Leased Property hereby leased or intended so to be or for carrying out the expressed intentions of this Lease.

SECTION 12.7. Execution in Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 12.8. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State, applicable to contracts made and performed in such State.

SECTION 12.9. Third-Party Beneficiaries. The Certificateholder and the Trustee are expressly recognized as third-party beneficiaries under this Lease.

SECTION 12.10. No Merger of Estate. This Lease shall not operate as a merger of the Lessee’s leasehold estate in the Leased Property and the Lessee’s fee estate in the Leased Property shall not cause the leasehold interest granted to the Lessor under the Site Lease to be extinguished.



IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease to be executed in their names by their duly Authorized Signatories, as of the date first above written.

LOS ANGELES COUNTY SCHOOLS REGIONALIZED  
BUSINESS SERVICES CORPORATION, as Lessor

By: \_\_\_\_\_  
Authorized Officer

SANTA MONICA COMMUNITY COLLEGE DISTRICT,  
as Lessee

By: \_\_\_\_\_  
Authorized Officer

STATE OF CALIFORNIA )
) ss.
COUNTY OF LOS ANGELES )

On \_\_\_\_\_, before me, \_\_\_\_\_
Date Name and Title of Officer (e.g. "Jane Doe, Notary Public")
personally appeared \_\_\_\_\_

Name of Signer(s)

who proved to me on the basis of satisfactory evidence to 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.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form to another document.

Description of Attached Document

Title of Type of Document: \_\_\_\_\_

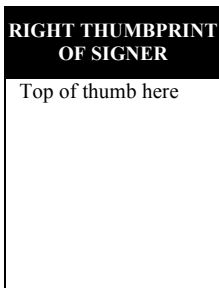
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Names Above: \_\_\_\_\_

Capacity(ies) Claimed by Signer(s)

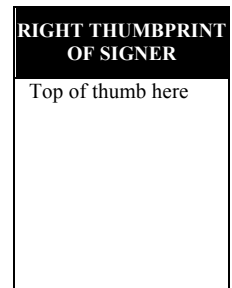
Signer's Name: \_\_\_\_\_

- Individual
Corporate Officer - Title(s):
Partner - Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other:



Signer's Name: \_\_\_\_\_

- Individual
Corporate Officer - Title(s):
Partner - Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other:



Signer is Representing: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_



**EXHIBIT A**

**SCHEDULE OF LEASE PAYMENTS**

<b>Lease Payment Dates</b>	<b>Principal Components</b>	<b>Interest Components</b>	<b>Total</b>
July 15, 2014	\$	\$	\$
January 15, 2015			
July 15, 2015			
January 15, 2016			
July 15, 2016			
January 15, 2017			
July 15, 2017			
January 15, 2018			
July 15, 2018			
January 15, 2019			
July 15, 2019			
January 15, 2020			
July 15, 2020			
January 15, 2021			
July 15, 2021			
January 15, 2022			
July 15, 2022			
January 15, 2023			
July 15, 2023			
January 15, 2024			
July 15, 2024			
January 15, 2025			
July 15, 2025			
January 15, 2026			
July 15, 2026			
January 15, 2027			
July 15, 2027			

**EXHIBIT B**

**LEGAL DESCRIPTION OF LEASED PROPERTY**

LOTS 6, 7 AND 8 OF TRACT 25003, IN THE CITY OF SANTA MONICA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 816 PAGES 79 AND 80 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Assessor's Parcel Number: 4268-001-902 & 903

**EXHIBIT C**

**FORM OF CERTIFICATE OF COMPLIANCE WITH INSURANCE REQUIREMENTS**

[LESSEE LETTERHEAD]

Los Angeles County Schools  
Regionalized Business Services Corporation  
9300 East Imperial Highway  
Downey, California 90242-2890  
Attention: Executive Director

The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street  
Los Angeles, California 90071  
Attention: Deborah Young

RE: Certification Pursuant to Section 5.6(c) of the Lease Agreement, dated as of December 1, 2013(the "Lease"), by and between Los Angeles County Schools Regionalized Business Services Corporation, as Lessor, and Santa Monica community college district, as Lessee

The undersigned, on behalf of the above-captioned Lessee, as lessee under the above-captioned Lease, hereby certifies pursuant to Section 5.6(c) of the Lease that the Lessee is in compliance with the provisions set forth in Sections 5.3, 5.4, 5.5 and 5.6 thereof.

Dated: \_\_\_\_\_

SANTA MONICA COMMUNITY  
COLLEGE DISTRICT,  
as Lessee

By: [Form do not sign] \_\_\_\_\_  
Authorized Signatory

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

Hawkins Delafield & Wood LLP  
333 South Grand Avenue, Suite 3650  
Los Angeles, California 90071  
Attention: Nnanna F. Ogbu, Esq.

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This Site Lease Is Recorded for the Benefit of a Public Agency and  
Is Exempt from Documentary Transfer Tax  
Pursuant to Government Code Section 27383

---

---

**SITE LEASE**

by and between

**SANTA MONICA COMMUNITY COLLEGE DISTRICT,**  
as Lessor

and

**LOS ANGELES COUNTY SCHOOLS  
REGIONALIZED BUSINESS SERVICES CORPORATION,**  
as Lessee

Dated as of December 1, 2013

**[\$Principal Amount]  
Certificates of Participation  
(Los Angeles County Schools Pooled Financing Program)  
2013 Refunding Series A  
(Santa Monica Community College District)**

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1. Definitions .....	1
SECTION 2. Site Lease.....	1
SECTION 3. Term.....	1
SECTION 4. Rental.....	1
SECTION 5. Purpose .....	1
SECTION 6. Owner in Fee .....	2
SECTION 7. Substitution of Leased Property .....	2
SECTION 8. Assignments and Subleases .....	2
SECTION 9. Right of Entry .....	2
SECTION 10. Termination .....	2
SECTION 11. Default .....	2
SECTION 12. Quiet Enjoyment.....	2
SECTION 13. Waiver of Personal Liability.....	2
SECTION 14. Taxes.....	3
SECTION 15. Eminent Domain.....	3
SECTION 16. Partial Invalidity .....	3
SECTION 17. Notices .....	3
SECTION 18. Amendment .....	3
SECTION 19. No Merger of Interests.....	3
SECTION 20. Section Headings .....	3
SECTION 21. Compliance with Laws and Regulations. ....	3
SECTION 22. Environmental Compliance. ....	4
SECTION 23. Execution.....	5
SECTION 24. Third-Party Beneficiaries .....	5

EXHIBIT A — Legal Description of Real Property



## SITE LEASE

THIS SITE LEASE, dated as of December 1, 2013 (this "Site Lease"), by and between SANTA MONICA COMMUNITY COLLEGE DISTRICT, a community college district duly organized and existing under and by virtue of the laws of the State of California (the "District"), as lessor, and the LOS ANGELES COUNTY SCHOOLS REGIONALIZED BUSINESS SERVICES CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), as lessee;

### WITNESSETH:

WHEREAS, the Corporation intends to assist the District to refinance the costs necessary to acquire, deliver, install, equip or remodel the Project (as defined in the Lease Agreement), and to lease the Leased Property (as defined herein) to the District under a Lease Agreement, dated as of the date hereof (the "Lease"), by and between the District and the Corporation, and the District proposes to enter into this Site Lease with the Corporation as a material consideration for the Corporation's agreement to refinance the acquisition of real property, and the acquisition, construction and/or installation of certain improvements and/or equipment for the District;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

SECTION 1. Definitions. Unless the context otherwise requires, all capitalized terms used in this Site Lease and not defined herein shall for all purposes of this Site Lease have the meaning specified therefor in the Lease or in the Trust Agreement, dated as of the date hereof (the "Trust Agreement"), by and among the District, the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

SECTION 2. Site Lease. The District hereby leases to the Corporation and the Corporation hereby hires from the District, on the terms and conditions hereinafter set forth, the real property situated in the County of Los Angeles, State of California as more particularly described in Exhibit A attached hereto and made a part hereof (the "Leased Property").

SECTION 3. Term. The term of this Site Lease shall commence on the Closing Date and shall remain in effect until the term of the Lease expires as provided by Section 4.2 thereof, provided, however, that if Lease Payments (as defined therein) due under the Lease remain unpaid at the expiration of the Lease term, or provision shall not have been made for their payment, then this Site Lease shall not terminate until the earlier of (i) February 1, 20\_\_, or, if later, (ii) the date on which the Certificates have been paid in full.

SECTION 4. Rental. The District acknowledges receipt from the Corporation as and for rental hereunder the sum of One Dollar (\$1.00), on or before the date of delivery of the Certificates to the Certificateholder thereof. The Corporation hereby waives any right that it may have under the laws of the State of California to receive a rebate of such rent in full or in part in the event there is substantial interference with the use and right of possession by the Corporation of the Leased Property or portion thereof as a result of material damage, destruction or condemnation.

SECTION 5. Purpose. The Corporation shall use the Leased Property solely for the purpose of leasing the Leased Property to the District pursuant to the Lease, and for such purposes as may be incidental thereto; *provided*, that in the event of default by the District under the Lease, the Corporation and its assigns may exercise the remedies provided in the Lease.

SECTION 6. Owner in Fee. The District covenants, represents and warrants that it is the owner in fee of the Leased Property.

SECTION 7. Substitution of Leased Property. From time to time, the District may authorize the Substitution of alternate real property or equipment for the Leased Property, the Removal of real property or equipment from the Leased Property or the addition of real property or equipment to the Leased Property pursuant to the Lease, with the prior written consent of the Certificateholder, only by providing the Trustee with a supplement to the Lease and the satisfaction of certain conditions contained in Section 3.8 of the Lease. In connection therewith, the District and the Corporation shall enter into a duly recorded amendment or supplement to this Site Lease. In the event that the District effects a substitution of all or a portion of the Leased Property hereunder, all or a designated portion of the Leased Property formerly subjected to this Site Lease shall be released from the lien hereof upon receipt by the Trustee of (a) the written request of the District to that effect, and (b) a further opinion of Special Counsel to the effect that such release will have no material adverse effect upon the Certificateholder. After any such release, the term "Leased Property" shall be defined as the remaining portion of the Leased Property.

SECTION 8. Assignments and Subleases. Unless the District shall be in default under the Lease, the Corporation may not assign its rights under this Site Lease or sublet the Leased Property, except as provided in the Lease and the Assignment Agreement, without the written consent of the District and the Certificateholder.

SECTION 9. Right of Entry. The District reserves the right for any of its duly authorized representatives to enter upon the Leased Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 10. Termination. The Corporation agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Leased Property at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the District.

SECTION 11. Default. In the event the Corporation shall be in default in the performance of any obligation of its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Corporation, the District may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof; *provided*, that the Certificateholder shall be entitled to control and direct the enforcement of all rights and remedies granted to the District under this Site Lease; and *provided, however*, that so long as any of the Certificates are Outstanding and unpaid in accordance with the terms thereof, the Lease Payments assigned by the Corporation to the Trustee under the Trust Agreement shall continue to be paid to the Trustee.

SECTION 12. Quiet Enjoyment. The Corporation at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Leased Property, subject to the provisions of the Lease and the Trust Agreement.

SECTION 13. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Corporation are solely liabilities of the Corporation, as a separate legal entity, and the District hereby releases each and every member, director and officer of the Corporation of and from any personal or individual liability under this Site Lease. No member, director or officer of the Corporation shall at any time or under any circumstances be individually or personally liable under this Site Lease for anything done or omitted to be done by the Corporation hereunder.

SECTION 14. Taxes. The District covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property (including both land and improvements).

SECTION 15. Eminent Domain. In the event the whole or any part of the Leased Property shall be taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the then-unpaid Certificates, including the unpaid principal and interest with respect to any then-Outstanding Certificates and any amounts due to the Trustee, and the balance of the award, if any, shall be paid to the District.

SECTION 16. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 17. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid, and, if to the District, addressed to Santa Monica Community College District 1900 Pico Blvd, Santa Monica, California 90405, Attention: Vice President, Business/Administration, or if to the Corporation, addressed to Los Angeles County Schools Regionalized Business Services Corporation, Los Angeles County Office of Education, 9300 East Imperial Highway, Downey, California 90242, Attention: Executive Director, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 18. Amendment. This Site Lease may not be altered, modified or amended except as permitted by Article IX of the Trust Agreement or to permit the Substitution or Removal of Leased Property Components pursuant to Section 3.8 of the Lease and to modify the description of the site on which the Leased Property Components are located.

SECTION 19. No Merger of Interests. The leasehold estates under this Site Lease and the Lease shall not merge, whether by the exercise of any right or remedy hereunder or thereunder, by operation of law, or otherwise.

SECTION 20. Section Headings. All Section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

SECTION 21. Compliance with Laws and Regulations.

(a) The District has, after due inquiry, no knowledge and has not given or received any written notice indicating that the Leased 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 law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, 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 Leased Property (collectively, "Laws and Regulations"). 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 any of the Leased Property has, other than as set forth in subsections (a) and (b) of this Section or as may have been remediated in accordance with Laws and Regulations, (i) used, treated, stored, transported or disposed of any material amount of 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 District, any of the Leased Property or the business operations conducted by the District thereon (collectively, "Hazardous Materials") on, from or beneath its Leased Property, (ii) pumped, spilled, leaked, disposed of, emptied, discharged or released (hereinafter collectively referred to as "Release") any material amount of Hazardous Material on, from or beneath the Leased Property, or (iii) stored any material amount of petroleum products at the Leased Property in underground storage tanks.

(b) Excluded from the representations and warranties in subsection (a) hereof with respect to Hazardous Materials are those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operation of a school facility, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Laws and Regulations.

(c) No part of the Leased Property is located in an area of high potential incidence of radon has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the improvements to such Leased Property.

#### SECTION 22. Environmental Compliance.

(a) The District shall not use or permit the Leased 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 Leased Property and then, only in compliance with all Environmental Regulations, and any state equivalent laws and 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 and 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 Leased Property or onto any other property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operation of a school facility, 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 District shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Corporation, 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 Leased 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) and only to the extent necessary to maintain the improvements on the Leased Property.

(b) The District shall comply with, and shall use its best efforts to cause any tenants, subtenants, agents, licensees, employees, contractors, and agents to comply with, all Environmental Regulations and shall keep the Leased Property free and clear from Hazardous Materials; *provided, however,* that notwithstanding that a portion of this covenant is limited to the District's use of its best efforts, the District shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the District's obligations contained in subsection (c) hereof as provided in subsection (c) hereof. Upon receipt of any notice from any Person with regard to the Release of

Hazardous Materials on, from or beneath the Leased Property as provided for in Exhibit A attached hereto, the District shall give prompt written notice thereof to the Corporation and the Certificateholder (and, in any event, 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 herein is not true or correct, the District shall defend, indemnify and hold harmless the Certificateholder and the Trustee, its partners, depositors and each of its and their employees, agents officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section) consultants' fees, investigation and laboratory fees, liabilities, settlements (five Business Days' prior notice of which the Corporation, Trustee or the Certificateholder, 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 Leased 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 Business Days' prior notice of which the Corporation, the Trustee or the Certificateholder, as appropriate, shall have delivered to the District), or governmental order relating to Hazardous Materials on, from or beneath any of the Leased Property, (iv) any violation of Environmental Regulations or subsection (a) or (b) hereof by it or any of its 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 the District is strictly liable under any Environmental Regulation, its obligation to the Trustee, the Corporation, and the Certificateholder and the other indemnities under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this subsection (c) shall survive any foreclosure of the security interest in the Leased Property or the delivery of any instrument in lieu of foreclosure, and the satisfaction of all Certificates.

(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 Laws and Regulations, including but not limited to Environmental Regulations.

SECTION 23. Execution. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same lease.

SECTION 24. Third-Party Beneficiaries. The Certificateholder and the Trustee are each expressly recognized as third-party beneficiaries under this Site Lease.

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

SANTA MONICA COMMUNITY  
COLLEGE DISTRICT,  
as Lessor

By: \_\_\_\_\_  
Authorized Officer

LOS ANGELES COUNTY SCHOOLS  
REGIONALIZED BUSINESS SERVICES  
CORPORATION,  
as Lessee

By: \_\_\_\_\_  
Authorized Officer

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

LOTS 6, 7 AND 8 OF TRACT 25003, IN THE CITY OF SANTA MONICA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 816 PAGES 79 AND 80 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Assessor's Parcel Number: 4268-001-902 & 903







TRUST AGREEMENT

by and among

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as Trustee

LOS ANGELES COUNTY SCHOOLS REGIONALIZED  
BUSINESS SERVICES CORPORATION,  
as Lessor

and

SANTA MONICA COMMUNITY COLLEGE DISTRICT,  
as Lessee

Dated as of December 1, 2013

Relating to

[\$[Principal Amount]  
Certificates of Participation  
(Los Angeles County Schools Pooled Financing Program)  
2013 Refunding Series A  
(Santa Monica Community College District)

**TABLE OF CONTENTS**

Page

**ARTICLE I**

**DEFINITIONS**

SECTION 1.1. Definitions and Rules of Construction .....2  
SECTION 1.2. Due Authorization .....10

**ARTICLE II**

**THE CERTIFICATES OF PARTICIPATION**

SECTION 2.1. Authorization .....10  
SECTION 2.2. The Certificates.....10  
SECTION 2.3. Payment .....11  
SECTION 2.4. Registration; Interest.....11  
SECTION 2.5. Form of Certificates .....12  
SECTION 2.6. Execution .....12  
SECTION 2.7. Application of Proceeds.....12  
SECTION 2.8. Transfer and Exchange of Certificates. ....12  
SECTION 2.9. Mutilated, Lost, Destroyed or Stolen Certificates .....13  
SECTION 2.10. Use of Depository Trust Company .....14  
SECTION 2.11. Certificate Register .....15  
SECTION 2.12. Amount of the Lessee’s Payment .....15  
SECTION 2.13. Payment of Program Expenses .....15

**ARTICLE III**

**COSTS OF DELIVERY FUND**

SECTION 3.1. Establishment of Costs of Delivery Fund.....15  
SECTION 3.2. Purpose .....15  
SECTION 3.3. Deposit of Moneys; Payment of Costs of Delivery .....16

**ARTICLE IV**

**PREPAYMENT OF CERTIFICATES**

SECTION 4.1. Establishment of Prepayment Fund .....16  
SECTION 4.2. Prepayment from Net Insurance and Condemnation Proceeds. ....16  
SECTION 4.3. Mandatory Sinking Fund Prepayment .....17  
SECTION 4.4. Optional Prepayment of Certificates .....18  
SECTION 4.5. Selection of Certificates for Prepayment; Partial Prepayment. ....18  
SECTION 4.6. Notice of Prepayment .....19  
SECTION 4.7. Effect of Notice of Prepayment .....20  
SECTION 4.8. Surplus .....20

**TABLE OF CONTENTS**  
**(continued)**

Page

ARTICLE V

LEASE PAYMENTS; LEASE PAYMENT FUND; REBATE FUND

SECTION 5.1.	Security Provisions.....	21
SECTION 5.2.	Establishment of Rebate Fund.....	21
SECTION 5.3.	Establishment of Lease Payment Fund.....	22
SECTION 5.4.	Deposits.....	22
SECTION 5.5.	Application of Moneys.....	22
SECTION 5.6.	Surplus.....	22
SECTION 5.7.	Investment Earnings.....	23
SECTION 5.8.	Recordation and Filing.....	23
SECTION 5.9.	Preservation of Lien.....	23

ARTICLE VI

NET INSURANCE PROCEEDS FUND AND CONDEMNATION PROCEEDS

SECTION 6.1.	Establishment of Net Insurance and Condemnation Proceeds Fund; Application of Net Insurance and Condemnation Proceeds.....	23
SECTION 6.2.	Excess Net Insurance and Condemnation Proceeds.....	24
SECTION 6.3.	Cooperation.....	24

ARTICLE VII

MONEYS IN FUNDS; INVESTMENT

SECTION 7.1.	Held in Trust.....	24
SECTION 7.2.	Investments Authorized.....	25
SECTION 7.3.	Disposition of Investments.....	25
SECTION 7.4.	Accounting.....	25
SECTION 7.5.	Valuation of Investments and Accounts.....	25
SECTION 7.6.	Deposit and Investment of Moneys in Funds.....	26

ARTICLE VIII

THE TRUSTEE

SECTION 8.1.	Appointment of Trustee.....	26
SECTION 8.2.	Liability of Trustee.....	27
SECTION 8.3.	Merger or Consolidation.....	29
SECTION 8.4.	Protection and Rights of the Trustee.....	29
SECTION 8.5.	Compensation of the Trustee.....	30
SECTION 8.6.	Indemnification of Trustee.....	30

ARTICLE IX

MODIFICATION OR AMENDMENT OF AGREEMENTS

**TABLE OF CONTENTS**  
**(continued)**

	<u>Page</u>
SECTION 9.1. Amendments Permitted .....	30
SECTION 9.2. Disqualified Certificates .....	31
SECTION 9.3. Effect of Supplemental Agreement .....	31
SECTION 9.4. Endorsement or Replacement of Certificates Delivered After Amendments.....	31
SECTION 9.5. Amendatory Endorsement of Certificates .....	31
SECTION 9.6. Execution of Supplemental Agreements .....	31

ARTICLE X

COVENANTS; NOTICES

SECTION 10.1. Compliance with and Enforcement of the Lease .....	31
SECTION 10.2. Lessee's Budget.....	32
SECTION 10.3. Investment Policy .....	32
SECTION 10.4. Further Assurances .....	32

ARTICLE XI

LIMITATION OF LIABILITY

SECTION 11.1. Limited Liability of the Lessee.....	32
SECTION 11.2. No Liability of the Lessee or Lessor for Trustee Performance .....	33
SECTION 11.3. Limited Liability of Trustee .....	33
SECTION 11.4. Opinion of Counsel.....	33
SECTION 11.5. Limitation of Rights to Parties and the Certificateholder.....	33

ARTICLE XII

ASSIGNMENT OF RIGHTS; EVENTS OF DEFAULT AND REMEDIES OF OWNERS

SECTION 12.1. Assignment of Rights .....	33
SECTION 12.2. Events of Default Defined .....	34
SECTION 12.3. Notice of Events of Default .....	34
SECTION 12.4. Remedies .....	34
SECTION 12.5. Application of Funds .....	34
SECTION 12.6. Institution of Legal Proceedings.....	35
SECTION 12.7. Non-waiver .....	35
SECTION 12.8. Remedies Not Exclusive.....	35
SECTION 12.9. Power of Trustee to Control Proceedings.....	36
SECTION 12.10. Limitation on the Certificateholder's Right to Sue.....	36
SECTION 12.11. Agreement to Pay Attorneys' Fees and Expenses .....	36
SECTION 12.12. No Liability by the Lessor Except as Expressly Provided Herein.....	36

ARTICLE XIII

MISCELLANEOUS

SECTION 13.1. Defeasance.....	37
SECTION 13.2. Records .....	38

**TABLE OF CONTENTS**  
**(continued)**

	<u>Page</u>
SECTION 13.3. Notices .....	38
SECTION 13.4. Governing Law .....	39
SECTION 13.5. Binding Effect; Successors .....	39
SECTION 13.6. Execution in Counterparts .....	39
SECTION 13.7. Destruction of Canceled Certificates .....	39
SECTION 13.8. Headings .....	39
SECTION 13.9. Waiver of Notice .....	39
SECTION 13.10. Interested Parties .....	39
SECTION 13.11. Severability of Invalid Provisions .....	39
 <u>EXHIBITS:</u>	
EXHIBIT A - FORM OF CURRENT INTEREST CERTIFICATE .....	A-1
EXHIBIT B - SCHEDULE OF PRINCIPAL AND INTEREST COMPONENTS .....	B-1
EXHIBIT C - FORM OF REQUISITION .....	C-1
EXHIBIT D - FORM OF CERTIFICATE OF PROVISION FOR LEASE PAYMENTS .....	D-1

## TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of December 1, 2013 (this "Trust Agreement"), by and among THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., 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"), SANTA MONICA COMMUNITY COLLEGE DISTRICT, a community college district duly organized and existing under and by virtue of the laws of the State of California, as lessee under the Lease described below (the "Lessee"), and LOS ANGELES COUNTY SCHOOLS REGIONALIZED BUSINESS SERVICES CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessor under the Lease (the "Lessor");

### WITNESSETH:

WHEREAS, the Lessee and the Lessor have entered into the Lease Agreement, dated as of the date hereof (the "Lease"), whereby the Lessor has agreed to refinance the acquisition of certain land and improvements through the prepayment of the Lessee's Refunding Certificates of Participation 2004 Series A, evidencing the fractional interests of the owners thereof in lease payments to be made by the Lessee (the "Prior Certificates"), and the Lessee has agreed to lease the Leased Property (as defined herein) from the Lessor; and

WHEREAS, the Lessee and the Lessor wish to authorize hereunder the execution and delivery of certain certificates of participation (the "Certificates"), each evidencing and representing an undivided and proportionate interest of the Certificateholder thereof in certain lease payments (the "Lease Payments") to be made by the Lessee under the Lease to refinance the Project by the Lessor; and

WHEREAS, the net proceeds obtained through the execution, sale and delivery of the Certificates will be deposited with the Trustee under this Trust Agreement and used in part by the Lessor to refinance the Project on behalf of the Lessee; and

WHEREAS, the Lessee will pay Lease Payments and Additional Payments as are payable under the Lease, at least equal to the fair rental value of the Leased Property in amounts sufficient to pay the Principal Components and Interest Components evidenced and represented by all Outstanding Certificates; and

WHEREAS, pursuant to the Assignment Agreement, dated as of the date hereof (the "Assignment Agreement"), by and between the Lessor and the Trustee, the Lessor will assign to the Trustee its rights to receive all Lease Payments due under the Lease and pursuant to this Trust Agreement, the Lessor will grant a security interest in all moneys held by the Trustee hereunder and the Lessor and the Lessee will grant a security interest in the Leased Property, all to the Trustee for the benefit of the Certificateholder and as security therefor; and

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 and representing the interest of the Certificateholder in the Lease Payments and Prepayments (as defined herein) made by the Lessee under the Lease, which will provide the moneys required to be deposited hereunder;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

## ARTICLE I

### DEFINITIONS

SECTION 1.1. Definitions and Rules of Construction. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement, have the meanings specified herein or in the Lease. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms used in this Trust Agreement refer to this Trust Agreement as a whole. References to the “Certificateholder” for all purposes of this Trust Agreement, the Site Lease, the Lease and the Assignment Agreement shall be deemed to be references to the holder of 100% of the principal amount of the Certificates.

“Additional Lease Payments” means those payments due as provided in Section 4.7 of the Lease.

“Additional Payments” means those payments due as provided in Section 4.6 of the Lease.

“Assignment Agreement” means the Assignment Agreement, dated as of the date hereof, by and between the Trustee and the Lessor, and any duly authorized and executed amendments or supplements thereto.

“Authorized Denomination” means denominations of \$5,000 or any integral multiple thereof.

“Authorized Signatory” or “Authorized Representative” means: (i) in the case of the Lessor, any person authorized by resolution of the Board of Directors of the Lessor to perform such act or to execute such documents; (ii) in the case of the Lessee, the Authorized Signatory as specified in the Lessee’s resolution authorizing the execution of the Lease and related documents, or any other person authorized in writing by the Governing Board of the Lessee to act on behalf of the Lessee with respect to this Trust Agreement, the Lease and any related documents, including without limitation, the Business Services Representative and the County Treasurer, and (iii) in the case of the Trustee, any person authorized to perform any act or sign any document by or pursuant to the by-laws or any resolution of the governing body of the Trustee.

“Business Day” means any day (other than a Saturday or Sunday) on which banks in Los Angeles, California or New York, New York, are not authorized or obligated by law or executive order to remain closed.

“Business Services Representative” means any person representing the Assistant Superintendent, Business Services, including representatives of the Los Angeles County Office of Education Business Advisory Services, Internal Business Services and School Financial Services.

“Certificate Year” means the annual period commencing on February 2 of a calendar year and ending on February 1 of the following calendar year, in any year during which the Certificates are or will be Outstanding; provided, however, that the initial Certificate Year shall begin on the Closing Date



and end on February 1 of the following calendar year and the final Certificate Year shall end on the date on which the last Certificate is paid or prepaid.

“Certificateholder” when used with respect to a Certificate, means Capital One, N.A. or such person in whose name such Certificate is registered on the registration books of the Trustee.

“Certificates” means the \$[Principal Amount] Certificates of Participation (Los Angeles County Schools Pooled Financing Program) 2013 Refunding Series A (Santa Monica Community College District) executed and delivered pursuant to this Trust Agreement.

“Closing Date” means [Closing Date].

“Code” means the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, as the same may be amended from time to time, and any successor provisions of law.

“Computation Date” shall have the meaning ascribed to such term in the Tax Certificate.

“Corporation” means the Los Angeles County Schools Regionalized Business Services Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California.

“Costs of Delivery” means all items of expense directly or indirectly payable by or reimbursable to the Lessee or the Lessor relating to the delivery of the Certificates, including but not limited to filing and recording and related costs relating to the sale of the Certificates, settlement costs, printing costs, reproduction and binding costs, financing discounts, initial fees and charges of the Trustee (as Trustee hereunder), legal fees and charges, financing and other professional consultant fees, fees of the Placement Agent, fees of the Verification Agent, Rating Agencies fees for credit ratings, fees for the Trustee’s execution, transportation and safekeeping of Certificates, and other charges and fees in connection with the foregoing.

“Costs of Delivery Fund” means the Costs of Delivery Fund established pursuant Section 3.1 hereof.

“County Investment Policy” means, at any time, the investment policy stating the primary goals and authorized investments of the Treasurer when investing public funds under the Treasurer’s control as approved by the County’s oversight committee and the Board of Supervisors of the County of Los Angeles as required by State law.

“County Treasurer” means the Treasurer and Tax Collector of the County of Los Angeles.

“Defeasance Obligations” means: (1) cash, (2) non-callable direct obligations of the United States of America (“Treasuries”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries 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 Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P or Moody’s, respectively, or (5) securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof.

“Depository Trust Company” or “DTC” means The Depository Trust Company, New York, New York, as initial securities depository for the Certificates.

“Event of Default” means an event of default set forth in Section 12.2 hereof.

“Governing Board” means the Governing Board of the Lessee as defined in the Lease.

“Improvements” means any public improvements on real property owned by the Lessee and leased to the Lessor pursuant to the Site Lease.

“Independent Counsel” means an attorney duly admitted to practice law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Lessor or the Lessee.

“Information Services” means, in accordance with the then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System and/or one or more services selected by the Lessor which are then providing information with respect to the Certificates.

“Interest Component” means the portion of the Lease Payments designated as interest on Exhibit B hereto.

“Interest Payment Date” means February 1 and August 1 of each year, commencing August 1, 2014.

“Lease” means the Lease Agreement, dated as of the date hereof, by and between the Lessee and the Lessor, and any duly authorized and executed amendments or supplements thereto.

“Lease Payment” means any payment required to be paid by the Lessee to the Lessor pursuant to Section 1.1 of the Lease.

“Lease Payment Date” has the meaning set forth in Section 1.1 of the Lease.

“Lease Payment Fund” means the fund so designated which is established pursuant to Section 5.3 hereof.

“Leased Property” means, collectively, all of the Leased Property and Leased Property Components of the real and/or personal property, consisting of the site and the capital improvements described in Exhibit B to the Lease.

“Leased Property Component” means any identifiable portion or singular parcel comprising the real and/or personal property described in Exhibit B to the Lease.

“Lessee” means the Santa Monica Community College District, a community college district duly organized and existing under and by virtue of the laws of the State of California, as lessee under the Lease.

“Lessee Prepayment” means any payment made by the Lessee pursuant to Article X of the Lease as a prepayment of its Lease Payments.

“Lessor” means Los Angeles County Schools Regionalized Business Services Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessor under the Lease, its successors and assigns.

“Lessor Representative” means the Chairman, President, Executive Director, Assistant Executive Director, Vice President, Assistant Vice President, Secretary, Assistant Secretary, and/or Treasurer of the Lessor, or any other person authorized by the Board of Directors of the Lessor to act on behalf of the Lessor under or with respect to the Lease, as evidenced by a certificate of the Lessor.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

“Net Insurance and Condemnation Proceeds” means any net proceeds of insurance or condemnation proceeds paid with respect to the affected portion of any Leased Property remaining after payment therefrom of any expenses (including attorneys’ fees) incurred in the collection thereof.

“Net Insurance and Condemnation Proceeds Fund” means the fund by that name established and held by the Trustee pursuant to Section 6.1 hereof.

“Outstanding” when used as of any particular time with respect to Certificates, means (subject to the provisions of Sections 9.2 and 13.1 hereof) all Certificates theretofore executed and delivered by the Trustee under this Trust Agreement except:

(a) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(b) Certificates for the payment or prepayment of which funds or Defeasance Obligations in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or prepayment date of such Certificates) in accordance with Section 13.1 hereof; provided, that if such Certificates are to be prepaid prior to maturity, notice of such prepayment shall have been given as provided herein or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(c) Certificates in lieu of or in exchange for which other Certificates shall have been delivered by the Trustee pursuant to Sections 2.8 and 2.9 hereof.

“Payment Date” means each Interest Payment Date and Principal Payment Date.

“Permitted Encumbrances” means, with respect to the Leased Property, as of any particular time: (i) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the Lessee may, pursuant to the provisions of Article V of the Lease, permit to remain unpaid; (ii) this Trust Agreement; (iii) the Site Lease; (iv) the Assignment Agreement; (v) the Lease; (vi) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; and (vii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which the Lessee certifies in writing will not impair the use of the Leased Property or to which the Corporation and the Certificateholder consent in writing.

“Permitted Investments” means any of the following, except to the extent not permitted by the laws of the State as an investment for the moneys to be invested therein at the time of investment:

(1) “Federal Securities” means:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation),

(b) Obligations of, or obligations fully and unconditionally guaranteed as to timely payment of principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States including:

- U.S. Treasury obligations
- All direct or fully guaranteed obligations
- Farmers Home Administration
- General Services Administration
- Guaranteed Title XI financing
- Government National Mortgage Association
- State and Local Government Series;

(2) Bonds, debentures, notes, participation certificates or other evidences of indebtedness issued, or the principal of and interest on which are unconditionally guaranteed, by the Federal Intermediate Credit Bank, the Federal Home Loan Bank System, the Government National Mortgage Association or any other agency or instrumentality of or corporation wholly owned by the United States of America when such obligations are backed by the full faith and credit of the United States for the full and timely payment of principal and interest;

(3) Obligations of any state of the United States or any political subdivision thereof, which at the time of investment are rated “Aa3” or higher by Moody’s and “AA” or higher by S&P; or which are rated by Moody’s “VMIG 1” or better and by S&P “A-1+” or better with respect to commercial paper, or “VMIG 1” and “SP-1”, respectively, with respect to municipal notes;

(4) Bank time deposits evidenced by certificates of deposit, including those placed by a third party pursuant to an agreement between the Lessee and the Trustee, deposit accounts, including time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, interest bearing money market accounts and bankers’ acceptances (having maturities of not more than 30 days), issued by any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation (including the Trustee or any of its affiliates); provided that (a) such bank, trust company or national banking association be rated “Aa3” or better by Moody’s and “AA-” or better by S&P; and (b) the aggregate of such bank time deposits and bankers’ acceptances issued by any bank, trust company or banking association does not exceed at any one time 10% of the aggregate of the capital stock, surplus and undivided profits of such bank, trust company or banking association and that such capital stock, surplus and undivided profits shall not be less than \$15,000,000;

(5) Repurchase or reverse repurchase agreements with any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation (including the Trustee or any of its affiliates), with subsidiaries (of a parent company), provided the obligations of the subsidiary under the agreement are unconditionally guaranteed by the parent, or with any government bond dealer recognized as a primary dealer by the Federal Reserve Bank of New York, which agreements are fully and continuously secured by a valid and perfected first priority security interest in obligations described in paragraph (1) or (2) of this definition, provided that either such bank, trust company or national banking association which (or senior debt or claims

paying ability of the financial entity's guarantor) is rated, at the time of investment, "Aa" or better by Moody's and "AA" or better by S&P;

(6) Repurchase or reverse repurchase agreements with maturities of not more than one year entered into with financial institutions such as banks or trust companies organized under state law or national banks or banking associations (including the Trustee or any of its affiliates), insurance companies or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and a member of the Securities Investor Protection Corporation or with a dealer or parent holding company that is rated, at the time of investment, or whose long-term debt obligations (or senior debt or claims paying ability of the financial entity's guarantor) are rated, at the time of investment, "Aa (stable)" or better by Moody's and "AA (stable)" or better by S&P, provided such repurchase agreements are in writing, secured by obligations described in paragraphs (1) and (2) of this definition having a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreements and in which the Trustee has a perfected first lien in, and retains possession of, such obligations free from all third party claims;

(7) Investment agreements, forward purchase agreements and reserve fund put agreements with any corporation, including banking or financial institutions, or agreements entered into with subsidiaries (of a parent company), provided the obligations of the subsidiary under the agreement are unconditionally guaranteed by the parent, the corporate debt of which (or senior debt or claims paying ability of the financial entity's guarantor) is rated, at the time of investment, "Aa" or better by Moody's and "AA" or better by S&P;

(8) Guaranteed investment contracts or similar funding agreements issued by insurance companies, provided that either the long term corporate debt of such insurance company, at the time of investment, is rated, at the time of investment, "Aa3" or better by Moody's and "AA-" or better by S&P or which agreements are fully and continuously secured by a valid and perfected first priority security interest in obligations described in paragraph (1) or (2) of this definition, or that the following conditions are met: (a) the market value of the collateral is maintained at levels acceptable to Moody's and S&P, (b) the Trustee or a third party acting solely as agent for the Trustee has possession of the collateral, (c) the Trustee has a perfected first priority security interest in the collateral, (d) the collateral is free and clear of third-party liens, and (e) failure to maintain the requisite collateral level will require the Trustee to liquidate collateral;

(9) Corporate commercial paper rated at the time of purchase "P-1" or better by Moody's and "A-1+" or better by S&P at the time of investment;

(10) Money market mutual funds having a rating in the highest investment category granted thereby from S&P or Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Trust Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Trust Agreement may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(11) Deposits with the Local Agency Investment Fund of the State as permitted by law; and

(12) The Treasury Pool of the County.

“Prepayment” means any payment made by the Lessee pursuant to Section 4.3 or Article X of the Lease as a prepayment of the Lease Payments.

“Prepayment Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.1 hereof.

“Principal Component” means the principal amount of Outstanding Certificates.

“Principal Corporate Trust Office” means the corporate trust office of the Trustee in Los Angeles, California, or such other place designated by the Trustee except that with respect to presentation of Certificates for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“Principal Payment Date” means February 1 of each year, commencing February 1, 2015.

“Prior Certificates” means the \$11,140,000 aggregate principal amount of the Lessee’s Refunding Certificates of Participation 2004 Series A executed and delivered pursuant to the Prior Trust Agreement.

“Prior Trust Agreement” means the Trust Agreement, dated as of August 1, 2004, by and among the Prior Trustee, the Corporation and the Lessee.

“Prior Trustee” means The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company, as trustee under the Prior Trust Agreement.

“Program Expenses” means all administrative costs of the Lessor relating to the Leased Property, the Project or the execution, sale and delivery of the Certificates, including, without limitation, taxes of any sort whatsoever payable by the Lessor as a result of its ownership of the Leased Property or its undertaking of the transactions contemplated herein or in the Lease, Costs of Delivery, fees of auditors, accountants, attorneys or engineers, insurance premiums, credit enhancement fees, and all other necessary administrative costs of the Lessor or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Certificates or of this Trust Agreement or to defend the Lessor.

“Project” means the financing or refinancing of the acquisition, construction, installation and improvements of the real and/or personal property, consisting of the site and the capital improvements refinanced by the Lessee with the proceeds of the Prior Certificates.

“Project Component” means any part of the real property and/or personal property and/or equipment and/or improvements refinanced with the proceeds of the Prior Certificates, which shall be refinanced with the proceeds of the Certificates.

“Qualified Arbitrage Rebate Calculation Service” means any accounting firm or Special Counsel fully qualified to perform the computations necessary to comply with Section 148 of the Code, or the County Auditor-Controller.

“Rating Agencies” means Moody’s and S&P.

“Rebate Fund” means the fund so designated which is established pursuant to Section 5.2 hereof.

“Record Date” means the fifteenth day of the calendar month preceding any Interest Payment Date, whether or not such fifteenth day is a Business Day, provided with respect to the payment of defaulted interest, a special record date shall be established in accordance with the provisions of this Trust Agreement.

“Removal” means the release of all or a portion of the Leased Property from the leasehold of the Lease and the Site Lease as provided in Section 3.6 of the Lease.

“Requisition” means the requisition relating to the payment of costs of issuance filed with the Trustee substantially in the form attached hereto as Exhibit C.

“Responsible Officer” means, when used with respect to the Trustee, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any senior associate, any associate or any other officer of the Trustee within the Principal Corporate Trust Office (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Principal Corporate Trust Office because of such person’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Trust Agreement.

“S&P” means Standard & Poor’s Rating Services, a Standard & Poor’s Financial Services LLC business, which is a subsidiary of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, its successors and assigns.

“Site Lease” means the Site Lease dated as of December 1, 2013 by and between the Corporation, as lessee thereunder, and Santa Monica Community College District, as lessor thereunder, and any duly authorized and executed amendments or supplements thereto.

“Special Counsel” means an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the tax status of interest on obligations issued by states and their political subdivisions.

“State” means the State of California.

“Substitution” means the release of all or a portion of the Leased Property from the leasehold of the Lease and Site Lease, and the lease of substituted real property and Improvements and/or equipment, if any, thereunder and under the Site Lease as provided in Section 3.6 of the Lease.

“Supplemental Trust Agreement” means any trust agreement hereafter duly authorized and entered into among the Lessor, the Lessee and the Trustee, supplementing, modifying or amending this Trust Agreement in accordance with the terms hereunder.

“Tax Certificate” means the Tax Certificate delivered by the Lessee on the Closing Date.

“Term” means the time during which the Lease is in effect, as provided in Section 4.2 of the Lease.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America, and its successors or assigns, if any, as Trustee.

“Trust Agreement” means this Trust Agreement, together with any amendments hereof or supplements hereto permitted to be made hereunder.

SECTION 1.2. Due Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution of this Trust Agreement by the officers and persons signing it.

## ARTICLE II

### THE CERTIFICATES OF PARTICIPATION

SECTION 2.1. Authorization. The Trustee is hereby authorized and directed to execute and deliver to the Certificateholder the Certificates in an aggregate principal amount of \$[Principal Amount] in Authorized Denominations. In no event shall the Certificates be deemed a debt, obligation or liability of the Trustee. The Certificates evidence and represent the ownership interest of the Certificateholder in the Lease Payments and the Prepayments to be made by the Lessee under the Lease. The total Principal Components and Interest Components due on all Certificates shall not exceed the total Lease Payments due under the Lease.

#### SECTION 2.2. The Certificates.

(a) Date. Each Certificate shall be dated the date of delivery and shall represent interest payable from the Interest Payment Date to which interest has been paid or duly provided for immediately preceding the date of execution, unless (i) it is executed as of an Interest Payment Date, in which event the Interest Component shall be payable from the date of execution thereof; (ii) it is executed after a Record Date and before the following Interest Payment Date, in which event the Interest Component shall be payable from such following Interest Payment Date; or (iii) it is executed on or before a Record Date, in which event the Interest Component shall be payable from the date of delivery of the Certificates, provided, however, that if, as of the original date of execution of any Certificate, the Interest Component has not been paid when due for any Outstanding Certificates, such Interest Component for such Certificate shall be payable from the Payment Date to which the Interest Component has previously been paid or made available for payment with respect to the Outstanding Certificates.

(b) Payment of the Principal Component and the Interest Component of the Certificates. The Certificates shall mature on February 1 of the following years and shall represent interest at the following rates:



Maturity Date (February 1)	Principal Components	Interest Rates
2014	\$	%
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		

SECTION 2.3. Payment. The principal and premium, if any, payable with respect to the Certificates shall be payable in lawful money of the United States of America by wire transfer or check, payable in any coin or currency of the United States of America which, at the dates of payment thereof, is legal tender for the payment of public and private debts. Interest shall be paid by the Trustee on the Interest Payment Date with regard to such Certificate to the Certificateholder thereof at the close of business on the Record Date with respect to such interest payment and shall be paid by check mailed on the applicable Interest Payment Date by first class mail to such Certificateholder at his or her address as it appears on the Certificate Registration books or, upon the written request of the Certificateholder of at least \$1,000,000 in principal amount of Certificates received at least fifteen (15) days prior to a Record Date, by wire transfer in immediately available funds to an account in the United States of America designated in writing by such Certificateholder, irrespective of the cancellation of such Certificate upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date, unless the Lessee shall default in the payment of Lease Payments due with respect to such Interest Payment Date. Payment of principal and premium, if any, due on any Certificate shall be paid only upon surrender of such Certificate at the Principal Corporate Trust Office of the Trustee. In the event of any default in the payment of interest, such defaulted interest shall be payable to the Certificateholder of such Certificate on a special record date for the payment of such defaulted interest, which date shall be established by the Trustee by notice mailed to the Certificateholder of Certificates not less than fifteen (15) days preceding such special record date.

SECTION 2.4. Registration; Interest. The Certificates shall be delivered in the form of fully registered Certificates without coupons, in Authorized Denominations. The Certificates shall be individually numbered as determined by the Trustee. The Certificates shall be registered initially in the name of "Cede & Co.," as nominee of Depository Trust Company. The Certificates shall be evidenced by one Certificate for each Principal Payment Date in the total aggregate principal amount of the Certificates maturing on such Principal Payment Date. Registered ownership of the Certificates, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.8 hereof. There shall be no execution or registration of transfer of Certificates during the period established by the Trustee for selection of Certificates for prepayment or of any Certificate selected for prepayment.

In the event the Lessor determines that the continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the DTC participants, beneficial owners of the Certificates, or the Lessee, the Lessor will notify the Trustee, whereupon the Trustee will notify DTC of the availability through DTC of certificated securities for the

Certificates. In such event, the Trustee shall execute and deliver and shall register Certificates in Authorized Denominations as requested by DTC.

The Interest Component with respect to any Certificate shall be payable on each Interest Payment Date to the date of maturity or prepayment of such Certificate, whichever is earlier. Said Interest Component shall represent the portion of Lease Payments designated as interest and coming due during the six-month period immediately preceding each Interest Payment Date with respect to the Current Interest Certificates computed on the basis of a 360-day year, comprised of 12 months of 30 days each. The proportion of the Lease Payments designated as the Interest Component shall be determined by the rate of interest applicable to the Certificates.

SECTION 2.5. Form of Certificates. The Certificates and the form of assignment to appear thereon shall be substantially in the form set forth in Exhibit A attached hereto and incorporated herein.

SECTION 2.6. Execution. The Certificates shall be executed by and in the name of the Trustee by the manual signature of any authorized signatory of the Trustee. The Trustee shall insert the date of execution of each Certificate in the place provided thereon.

SECTION 2.7. Application of Proceeds. The proceeds received by the Trustee from the sale of the Certificates in the amount of \$\_\_\_\_\_ (consisting of the par amount of the Certificates of \$[Principal Amount] plus/less a net original issue premium/discount of \$\_\_\_\_\_) shall forthwith be set aside by the Trustee in the following respective funds and in the following order of priority:

(a) The Trustee shall deposit into the Costs of Delivery Fund the amount of \$\_\_\_\_\_;

(b) The Trustee shall deposit into the Prepayment Fund (as defined in the Prior Trust Agreement) of the Prior Trust Agreement the amount of \$\_\_\_\_\_ in accordance with the provisions thereof. The Trustee may establish a temporary fund or account in its records to facilitate such deposit and transfer.

SECTION 2.8. Transfer and Exchange of Certificates.

(a) Transfer of Certificates. The Certificateholder's interests in the Certificates, including without limitation those set forth and described herein and in the Assignment Agreement, shall not be transferred, sold, assigned or otherwise disposed; provided, however, that nothing herein shall preclude the further assignment by the Certificateholder of its interests in the Certificates in whole to an affiliate of the Certificateholder, a "qualified institutional buyer" (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended) or an "accredited investor" (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended), subject to compliance with the transfer restrictions set forth in the Lease, including the requirement for the delivery to the Lessee, the Lessor and the Trustee of a letter in substantially the form of the letter attached hereto as Exhibit E hereto. Failure to deliver such letter shall cause the purported transfer to be null and void.

Any Certificate may, in accordance with its terms and subject to Section 2.8(a) and Section 2.9 hereof, be transferred upon the books required to be kept pursuant to the provisions of Section 2.10 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation at the Principal Corporate Trust Office of the Trustee, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly

executed; provided, however, that the Trustee shall not effect the transfer of any Certificate during the period established by the Trustee for selection of Certificates for prepayment or of any Certificate selected for prepayment. The cost of printing Certificates and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Lessee. The Trustee shall require the payment by the Certificateholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, and there shall be no other charge to the Certificateholder for any such transfer. Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates of the same maturity and interest rate, and for a like aggregate principal amount of Authorized Denominations.

(b) Exchange of Certificates. Certificates may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Certificates of other Authorized Denominations of the same maturity and interest rate; provided, however, that there shall be no exchange of Certificates during the period established by the Trustee for selection of Certificates for prepayment or of any Certificate selected for 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 for prepayment thereof. The Trustee shall require the payment by the Certificateholder requesting such transfer or exchange of any tax or other governmental charge required to be paid on such exchange. The cost of printing Certificates and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Lessee. All Certificates surrendered pursuant to the provisions of this Section shall be canceled by the Trustee and shall not be redelivered. The Trustee shall not be required to transfer or exchange Certificates during the period in which the Trustee is selecting Certificates for 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 for prepayment thereof.

SECTION 2.9. Mutilated, Lost, Destroyed or Stolen Certificates. If any Certificate shall become mutilated, the Trustee shall execute and deliver a new Certificate of like tenor and maturity 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. 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, if an indemnity satisfactory to the Trustee shall be given, the Trustee shall execute and deliver a new Certificate of like tenor and maturity and 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 an appropriate fee from the Certificateholder of such lost, stolen or destroyed Certificates for each new Certificate delivered 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 of this Trust Agreement with all other Certificates secured by this Trust Agreement. 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 principal amount of Certificates which 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 delivering a new Certificate in exchange for a Certificate which has been mutilated, lost, destroyed or stolen, and which has matured, or which has been called for prepayment, the Trustee may make payment with respect to such Certificate upon receipt of indemnity satisfactory to the Trustee.

SECTION 2.10. Use of Depository Trust Company. Notwithstanding any provision of this Trust Agreement to the contrary:

(a) The Certificates shall be initially delivered and registered as provided in Section 2.4 hereof. Registered ownership of the Certificates, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of the DTC or its nominee, or to any substitute depository designated pursuant to clause (ii) of this subsection (a) (“substitute depository”); provided that any successor of DTC or a substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository designated by the County Treasurer and not objected to by the Trustee, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) or (2) a determination by the County Treasurer that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as the Lessee’s security depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository which is not objected to by the Trustee can be obtained or (2) a determination by the County Treasurer that it is in the best interests of the Lessee to remove DTC or its successor (or any substitute depository or its successor) from its functions as securities depository hereunder.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Certificates by the Trustee, together with a request from the County Treasurer to the Trustee, a single new Certificate shall be executed and delivered in the aggregate principal amount of the Certificates then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such request from the County Treasurer. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the Outstanding Certificates by the Trustee, new Certificates shall be executed and delivered in such denominations and registered in the names of such persons as are requested by DTC or its successors, subject to the limitations of Section 2.3 hereof, provided that the Trustee shall not be required to deliver such new Certificates within a period less than sixty (60) days from the date of receipt of such a request.

(c) In the case of partial prepayment or an advance refunding of the Certificates evidencing all or a portion of the principal amount thereof Outstanding, DTC shall make an appropriate notation on the Certificates indicating the date and amounts of such reduction in principal. The Trustee shall not be liable for any error or omission by DTC in making such notation and the records of the Trustee as to the Outstanding principal amount of the Certificates shall be controlling.

(d) The Lessee, the Lessor and the Trustee shall be entitled to treat the person in whose name any Certificate is registered as the Certificateholder thereof for all purposes of this Trust Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Lessee; and the Lessee, the Lessor and the Trustee shall have no responsibility for transmitting payments to, communication with, notifying or otherwise dealing with the Certificateholder. The Lessee, the Lessor, the County Treasurer and the Trustee will have no responsibility or obligations, legal or otherwise, to the Certificateholder or to any other party including DTC or its successors, except for the Certificateholder.

(e) So long as the Outstanding Certificates are registered in the name of Depository Trust Company or a successor depository, the Lessee, the Lessor and the Trustee shall cooperate with Depository Trust Company or such successor depository, as sole registered owner, in effecting payment of the principal of and prepayment premium, if any, and interest with respect to the Certificates by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

(f) In the event the Lessor determines that the continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the DTC participants, the Certificateholder or the Lessee, the Lessor shall notify the Trustee, whereupon the Trustee shall notify DTC of the availability through DTC of certificated securities for the Certificates. In such event, the Trustee shall execute and deliver and shall register Certificates in Authorized Denominations as requested by DTC.

SECTION 2.11. Certificate Register. The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient books for the registration and transfer of the Certificates which shall at all times be open to inspection by the Lessee and the Lessor during regular business hours with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on said books, Certificates as hereinbefore provided. The Lessee, the Lessor and the Trustee shall be entitled to treat the registered Certificateholder as the absolute owner thereof for all purposes, whether or not a Certificate shall be overdue, and the Lessee, the Lessor and the Trustee shall not be affected by any notice to the contrary.

SECTION 2.12. Amount of the Lessee's Payment. The payment of principal and interest represented by the Certificates is comprised of the undivided interests of the Certificateholder in Lease Payments to be made by the Lessee in the aggregate amount set forth in Exhibit B to this Trust Agreement.

SECTION 2.13. Payment of Program Expenses. The Lessee agrees to pay to the Trustee, as the assignee of the Lessor, Program Expenses charged by the Trustee or the Lessor.

### ARTICLE III

#### COSTS OF DELIVERY FUND

SECTION 3.1. Establishment of Costs of Delivery Fund. The Trustee shall establish a special fund designated as the "Los Angeles County Schools Pooled Financing Program, 2013 Refunding Series A Santa Monica Community College District Costs of Delivery Fund" (the "Costs of Delivery Fund"), shall keep such fund separate and apart from all other funds and moneys held by it, and shall administer such fund as herein provided. The Costs of Delivery Fund shall be held and applied by the Trustee in accordance herewith.

SECTION 3.2. Purpose. Amounts on deposit in the Costs of Delivery Fund shall be applied to pay Costs of Delivery, as provided in Section 3.3 hereof.

SECTION 3.3. Deposit of Moneys; Payment of Costs of Delivery. The Trustee shall disburse moneys on deposit in the Costs of Delivery Fund only upon receipt of a Requisition signed by the Lessee's Authorized Signatory, the Business Services Representative or the County Treasurer or his or her duly designated deputy setting forth the amounts to be disbursed for payment or reimbursement of Costs of Delivery and the person or persons to whom said amounts are to be disbursed, and stating that the amounts to be disbursed are for Costs of Delivery properly chargeable to the Costs of Delivery Fund. The Costs of Delivery Fund shall be closed 180 days after the Closing Date, and any moneys then remaining in the Costs of Delivery Fund, including any interest earnings thereon, shall be transferred to the Lease Payment Fund. Each such written request shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

## ARTICLE IV

### PREPAYMENT OF CERTIFICATES

SECTION 4.1. Establishment of Prepayment Fund. (a) The Trustee shall establish a special fund designated as the "Los Angeles County Schools Pooled Financing Program, 2013 Refunding Series A Santa Monica Community College District Prepayment Fund" (the "Prepayment Fund"), shall keep such fund separate and apart from all other funds and moneys held by it, and shall administer such fund as herein provided. The Trustee need not open such fund on its records until such time as deposits are required to be made therein. Prior to any prepayment of the Certificates, an amount at least equal to the amount necessary to prepay the Certificates shall be deposited by the Lessee into the Prepayment Fund. As provided in Section 5.5 hereof, prepayments of the Certificates shall be made from money available therefor. Any prepayments of the Certificates in advance of their maturity shall be made on the date designated for prepayment and upon presentation and surrender of such Certificates.

(b) Upon the Trustee's receipt of each Prepayment of Lease Payments from the Lessee under Section 10.2 or 10.3 of the Lease, the Trustee shall give prompt notice to the Lessee of such receipt and the amount of said Prepayment. All amounts representing Prepayments hereunder shall be deposited into the Prepayment Fund.

### SECTION 4.2. Prepayment from Net Insurance and Condemnation Proceeds.

(a) Upon the receipt of Net Insurance and Condemnation Proceeds from the Lessee, the Trustee shall promptly deposit such moneys into the Net Insurance Proceeds Fund and shall promptly provide notice thereof to the Lessee; the Lessee shall then deliver a Written Order to the Trustee, directing the Trustee to retain the Net Insurance Proceeds in the Net Insurance Proceeds Fund to be used to replace or repair the Leased Property, or to deposit such Net Insurance and Condemnation Proceeds into either (i) the Prepayment Fund, or (ii) the Lease Payment Fund as a credit against the Lease Payments, as may be required by the Lease.

(b) The Certificates are subject to prepayment on any Payment Date, in whole or in part, from Net Insurance and Condemnation Proceeds deposited in the Prepayment Fund at least forty-five (45) days prior to a Payment Date and credited towards the Prepayment made by the Lessee pursuant to Section 10.2 of the Lease, at a prepayment price equal to the principal amount thereof, together with interest accrued to the date fixed for prepayment, without premium. In the event of a prepayment of Certificates from Net Insurance and Condemnation Proceeds when fewer than all Outstanding Certificates are called for prepayment, the Trustee shall select Certificates for prepayment from the Outstanding Certificates, proportionately by maturity, in Authorized Denominations. The Trustee shall promptly notify the Lessee, the Lessor and the Certificateholder in writing of the Certificates so selected for prepayment.

(c) In the event that Net Insurance Proceeds are sufficient, together with other moneys as may be provided by the Lessee, to prepay the Lease Payments in full, payments from Net Insurance Proceeds may be applied to the prepayment of Certificates; if such Net Insurance Proceeds are less than the amount necessary to prepay the Certificates in full, no prepayment of Certificates may be effected hereunder without the prior written consent of the Certificateholder.

(d) Whenever Net Insurance and Condemnation Proceeds are set aside for prepayment of Certificates under this Section 4.2, such Net Insurance and Condemnation Proceeds shall, promptly upon receipt and upon the Trustee's receipt of written instructions, be invested by the Trustee at the written direction of the Business Services Representative or the County Treasurer, upon consultation with the Lessee, in Permitted Investments maturing in time and amount sufficient to provide payment in full of the principal and interest with respect to the Certificates selected for prepayment. The Lessee shall provide the Trustee with revised mandatory prepayment schedules.

(e) In the event the Lessee elects to repair or replace the Leased Premises with Net Insurance and Condemnation Proceeds and does not receive sufficient Net Insurance and Condemnation Proceeds for that purpose, the Lessee shall use its best efforts to provide sufficient funds, if necessary, in excess of such Net Insurance and Condemnation Proceeds to repair or replace the Leased Property and to make Lease Payments pursuant to the Lease.

(f) In the event that the Lessee shall have delivered a Written Order directing the Trustee to retain the Net Insurance Proceeds in the Net Insurance Proceeds Fund, the Trustee shall apply such moneys in accordance with Section 6.1(b) hereof.

(g) The Lessee shall be permitted to request the replacement or repair of the Leased Property only if (i) the Net Insurance Proceeds available for such purpose, together with any other funds supplied by the Lessee for such purpose, are sufficient therefor, (ii) in the event that damage or destruction results in an abatement of Lease Payments, the Lessee Representative certifies and covenants to the Trustee that such replacement or repair can be fully completed within a period not in excess of the period in which rental interruption insurance proceeds will be available to pay in full all Lease Payments coming due during such period as described in Section 5.5 of the Lease, (iii) the Certificateholder shall have consented, in writing, to such repair or replacement, or (iv) such requirements are waived by the Certificateholder.

(h) If, following the use by the Lessee of Net Insurance Proceeds for the purposes described above, there remains an excess amount, the Lessee shall deposit such excess Net Insurance Proceeds into the Lease Payment Fund and it shall be afforded a credit against its immediately succeeding Lease Payments due.

SECTION 4.3. Mandatory Sinking Fund Prepayment. The Certificates maturing on February 1, 20\_\_, shall be subject to mandatory sinking fund prepayment prior to maturity at a prepayment price equal to the Principal Component of the Certificates to be prepaid, plus accrued interest with respect thereto to the prepayment date, on February 1 of each year, commencing February 1, 20\_\_, in the Principal Components and on the prepayment dates as follows:

<b>Mandatory Sinking Fund Prepayment Date (February 1)</b>	<b>Mandatory Sinking Fund Payment</b>
20__	\$
20__	
20__	
20__	
20__ <sup>†</sup>	
----- <sup>†</sup> Maturity.	

The Certificates maturing on February 1, 20\_\_, shall be subject to mandatory sinking fund prepayment prior to maturity at a prepayment price equal to the Principal Component of the Certificates to be prepaid, plus accrued interest with respect thereto to the prepayment date, on February 1 of each year, commencing February 1, 20\_\_, in the Principal Components and on the prepayment dates as follows:

<b>Mandatory Sinking Fund Prepayment Date (February 1)</b>	<b>Mandatory Sinking Fund Payment</b>
20__	\$
20__	
20__	
20__	
20__ <sup>†</sup>	
----- <sup>†</sup> Maturity.	

SECTION 4.4. Optional Prepayment of Certificates. The Certificates maturing on or before February 1, 20\_\_, are not subject to prepayment prior to their fixed maturity dates. The Certificates maturing on and after February 1, 20\_\_, may be prepaid before maturity, at the option of the Lessee, from moneys deposited into the Prepayment Fund as a result of the Lessee's election to prepay Lease Payments, on any date on or after February 1, 20\_\_, as a whole or in part, exercised by notifying the Trustee at least [forty-five (45) days] prior to the scheduled prepayment date, as provided in the Lease, at a prepayment price equal to the principal amount thereof together with interest accrued thereon to the date fixed for prepayment. The Lessee shall provide the Trustee with revised mandatory prepayment schedules following an optional prepayment.

SECTION 4.5. Selection of Certificates for Prepayment; Partial Prepayment.

(a) Except as otherwise provided herein, whenever provision is made in this Trust Agreement for the prepayment of Certificates and fewer than all Outstanding Certificates are called for prepayment, other than in the event of a prepayment of Certificates from Net Insurance and Condemnation Proceeds which shall be selected in accordance with Section 4.2 hereof the Trustee shall select Certificates for prepayment from the Outstanding Certificates not previously called for prepayment in inverse order of maturity, and by lot within any maturity, in any manner which the Trustee shall in its sole discretion deem appropriate.

(b) All or a portion of any Certificate may be prepaid, but only in a principal amount equal to an integral multiple of \$5,000. Upon surrender by the Certificateholder for partial prepayment, such partial prepayment of the Principal Component will be made by wire or check mailed by first class mail to the Certificateholder at his or her address as it appears on the registration books of the Trustee. Upon surrender of any Certificate prepaid in part only, except as otherwise provided in Section 2.9(c)



hereof, the Trustee shall execute and deliver to the Certificateholder thereof, at the expense of the Lessee exercising an option to prepay, a new Certificate or Certificates which shall be of Authorized Denominations equal in aggregate principal amount to the unprepaid principal amount of the Certificate surrendered and of the same interest rate and the same maturity. Such partial prepayment shall be valid upon payment of the amount thereby required to be paid to the Certificateholder, and the Lessee exercising an option to prepay, the Lessor and the Trustee shall be released and discharged from all liability to the extent of such payment.

SECTION 4.6. Notice of Prepayment. When prepayment is authorized or required hereunder, the Trustee shall give notice of the prepayment of the affected Certificates. Written notice of any such prepayment shall be given by the Lessee to the Trustee and the Certificateholder at least [forty-five (45) days] prior to the date of prepayment (unless a shorter time shall be acceptable to the Trustee for its convenience), and the Trustee shall thereupon give notice on behalf and at the expense of the Lessee, by mailing a copy of a prepayment notice by first class mail at least [thirty (30) days] and not more than sixty (60) days prior to the date fixed for prepayment to the Certificateholder at the addresses shown on the Certificate registration books maintained by the Trustee; provided, however, that the Trustee shall not mail notice of prepayment until and unless the Lessee has provided to the Trustee reasonable evidence that sufficient funds will be transferred to and deposited with the Trustee for such purpose; provided, however, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of such Certificates.

Such notice shall specify: (a) that the Certificates or a designated portion thereof are to be prepaid; (b) the CUSIP numbers, the numbers and dates of maturity of the Certificates to be prepaid; (c) the date of prepayment; (d) the prepayment price and (e) the place or places where the prepayment will be made. Such notice shall further state that on the specified date there shall become due and payable upon each Certificate to be prepaid, the portion of the principal amount together with interest accrued to said date to be prepaid and that from and after such date the Interest Component shall cease to accrue and become payable.

Each check or other transfer of funds issued or made by the Trustee for the purpose of prepaying the Certificates shall to the extent practicable identify by designation and maturity the Certificates being prepaid with the proceeds of such check or other transfer.

Failure by the Certificateholder, depository or information service listed above to receive notice as provided herein shall not affect the validity of such prepayment.

Notice of prepayment having been given as aforesaid, the Certificates or portions of Certificates so to be prepaid shall, on the prepayment date, become due and payable at the prepayment price therein specified, and from and after the date on which prepaid, interest with respect to such Certificates or portions of Certificates shall cease to be payable. Upon surrender of such Certificates for prepayment in accordance with said notice, such Certificates shall be paid by the Trustee at the prepayment price. Amounts equal to the Interest Component due on or prior to the prepayment date shall be payable as herein provided for regular payments of the Interest Component. Upon surrender for any partial prepayment of any Certificate, there shall be prepared for the Certificateholder a new Certificate or Certificates in the amount of the unpaid Principal Component. All Certificates which have been prepaid shall be canceled by the Trustee, shall not be redelivered and shall be destroyed pursuant to Section 13.7 hereof. All prepayments shall be made in accordance with Section 5.5.

The Trustee shall have no responsibility for a defect in the CUSIP number that appears on any Certificate or in the prepayment notice. The prepayment notice may provide that the CUSIP numbers have been assigned by an independent service and are included in the notice solely for the convenience of

the Certificateholder and that the Trustee and the Lessee shall not be liable in any way for inaccuracies in said numbers.

SECTION 4.7. Effect of Notice of Prepayment. With respect to any notice of prepayment of the Certificates in accordance with Section 4.6 hereof, in whole or in part, such notice may state that such prepayment shall be conditional upon the receipt by the Trustee, on or prior to the date fixed for such prepayment, of moneys sufficient to pay the prepayment price of and accrued interest on the such 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 the Lessee and the Lessor shall not be required to prepay such Certificates or to pay any amounts to the Certificateholder except to pay principal and interest evidenced by the Certificates in accordance with Section 2.2(b) hereof. In the event that such conditional notice of prepayment contains such a provision and such moneys are not so received, the conditional prepayment shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of prepayment was given, that such moneys were not so received and that the conditional prepayment was cancelled. The Lessee may rescind any prepayment, and notice thereof may be rescinded by Lessee for any reason, by providing written notice of such rescission to the Trustee on any date prior to the date fixed for prepayment. Within one (1) day of receipt of such written notice, the Trustee shall give written notice of the rescission to the Certificateholder so called for prepayment. The actual receipt by the Certificateholder of any Certificate of notice of such rescission will not be a condition precedent to such rescission and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

Notice having been given as aforesaid, and the moneys for the prepayment (including the Interest Component accruing to the applicable date of prepayment) having been set aside in the Prepayment Fund, the Certificates so called shall become due and payable on said date of prepayment, and upon presentation and surrender thereof at the office or offices specified in said notice, said Certificates shall be paid in the amount of the unpaid Principal Component, plus the Interest Component accrued and unpaid to said date of prepayment.

If, on the date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, and premium, if any, shall be held by the Trustee so as to be available therefor on such date of prepayment, and, if notice of prepayment thereof shall have been given as aforesaid, then, from and after said date of prepayment, the Interest Component shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the prepayment of Certificates shall be held in trust for the account of the Certificateholder to be so prepaid without liability for interest with respect thereto.

All Certificates paid at maturity or prepaid prior to maturity pursuant to the provisions of this Article shall be cancelled upon surrender thereof.

SECTION 4.8. Surplus. Any funds remaining in the Prepayment Fund after prepayment, or provision having been made therefor satisfactory to the Trustee, including payment of any accrued interest and payment of any such applicable fees and expenses to the Trustee shall be withdrawn by the Trustee and remitted to the Lessee.

## ARTICLE V

### LEASE PAYMENTS; LEASE PAYMENT FUND; REBATE FUND

#### SECTION 5.1. Security Provisions.

(a) Assignment of Rights in Lease and Site Lease. The Lessor has, pursuant to the Assignment Agreement, assigned and set over to the Trustee certain of its rights in the Lease and the Site Lease (excepting only its rights to indemnification and to give approvals and consents), including but not limited to all of the Lessor's rights to receive and collect all of the Lease Payments, Additional Payments (except those Additional Payments payable to the Trustee), Additional Lease Payments, Prepayments and all other amounts required to be deposited in the Lease Payment Fund pursuant to the Lease or pursuant hereto. All Lease Payments, Additional Payments, Additional Lease Payments, Prepayments and such other amounts to which the Lessor may at any time be entitled shall be paid by the Lessee directly to the Trustee, and all of the Lease Payments, Additional Payments, Additional Lease Payments and Prepayments collected or received by the Lessor shall be deemed to be held and to have been collected or received by the Lessor as the agent of the Trustee, and if received by the Lessor at any time shall be deposited by the Lessor with the Trustee within one Business Day after the receipt thereof, and all the Lease Payments, Additional Payments, Additional Lease Payments, Prepayments and such other amounts shall be forthwith deposited by the Trustee upon the receipt thereof in the Lease Payment Fund (except as provided in Section 3.1 of the Lease or Section 5.4 hereof).

(b) Security Interest in Moneys and Funds and Accounts. The Lessor and the Lessee, as their interests may appear, hereby grant to the Trustee for the benefit of the Certificateholder a lien on and a security interest in all moneys in the funds and accounts held by the Trustee under this Trust Agreement, except moneys held in the Rebate Fund, including without limitation, the Lease Payment Fund, the Prepayment Fund, Net Insurance and Condemnation Proceeds Fund and any accounts therein, and all such moneys shall be held by the Trustee in trust and applied to the purposes specified herein and in the Lease.

(c) Security Interest in the Leased Property. The Lessor and Lessee, hereby grant to the Trustee for the benefit of the Certificateholder a lien on and a security interest in the Leased Property for the maximum Term of the Lease, which interest shall be evidenced by the filing of appropriate security instruments, signed by the Lessor, granting the Trustee a first perfected security interest in the Leased Property. Unless otherwise agreed to in writing by the Certificateholder, no lien on the Leased Property (except laborers' and mechanics' liens) senior to such lien shall be permitted.

(d) Pledge of Lease Payments. The Lease Payments are hereby irrevocably pledged to and shall be used for the punctual payment of the Interest Component and the Principal Component, and the Lease Payments shall not be used for any other purpose while any of the Certificates remain Outstanding. This pledge shall constitute a first and exclusive lien on the Lease Payments for the benefit of the Certificateholder, as its interests may appear, in accordance with the terms hereof.

SECTION 5.2. Establishment of Rebate Fund. The Trustee shall establish a special fund designated as the "Los Angeles County Schools Pooled Financing Program, 2013 Refunding Series A Santa Monica Community College District Rebate Fund" (the "Rebate Fund"). So long as any Certificates are Outstanding, neither the Lessee nor the Lessor shall have any beneficial right or interest in the Rebate Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth. The Trustee may rely conclusively on the Lessee's (or its agent's) determinations, calculations and certifications with regard to

the calculation of rebate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Lessee's (or its agent's) calculations with regard to rebate.

SECTION 5.3. Establishment of Lease Payment Fund.

(a) The Trustee shall establish a special fund designated as the "Los Angeles County Schools Pooled Financing Program, 2013 Refunding Series A Santa Monica Community College District Lease Payment Fund" (the "Lease Payment Fund"). All moneys at any time deposited by the Trustee in the Lease Payment Fund shall be held by the Trustee in trust for the benefit of the Certificateholder. So long as any Certificates are Outstanding, neither the Lessee nor the Lessor shall have any beneficial right or interest in the Lease Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

SECTION 5.4. Deposits. There shall be deposited into the Lease Payment Fund all Lease Payments, Additional Payments (except those payable to the Trustee as its fees and expenses) and Lessee Prepayments received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to Section 2.7 herein, Section 4.3 (regarding Lease Payments) of the Lease and any other moneys required to be deposited therein pursuant to the Lease or pursuant to this Trust Agreement. On or prior to each Lease Payment Date, the Trustee shall notify the Lessee of the amounts on deposit in the Lease Payment Fund to be credited toward the Lease Payments due from the Lessee on the next succeeding Lease Payment Date.

SECTION 5.5. Application of Moneys. Except as provided in Section 5.7 or Section 12.5 hereof, all amounts in any account in the Lease Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the Principal Component and Interest Component as the same shall become due and payable, in accordance with the provisions of Article II and Article IV. Subject to Section 12.5(a) hereof, this pledge shall constitute a first and exclusive lien on the Lease Payments in accordance with the terms hereof.

Except as provided in the previous paragraph, the Trustee shall apply moneys on deposit in the Lease Payment Fund in the following order of priority:

(a) On or before each Interest Payment Date, an amount sufficient to pay the Interest Component coming due and payable with respect to the Current Interest Certificates on such date shall be set aside;

(b) On or before each Principal Payment Date, an amount sufficient to pay the Principal Component with respect to the Certificates coming due and payable on such date shall be set aside by the Trustee and mailed (or sent by wire transfer, as appropriate) to the Certificateholder; and

(c) To the extent that Lessee Prepayments shall be deposited to the Prepayment Fund by the date which is forty-five (45) days prior each date set for prepayment of Certificates pursuant to Section 4.2 hereof, the amount prepaid shall be deposited into the Prepayment Fund to be applied for the prepayment of Certificates in accordance with Section 4.2 hereof.

SECTION 5.6. Surplus. Any funds remaining in the Lease Payment Fund after prepayment and payment of all Certificates Outstanding, or provision having been made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees and expenses to the Trustee shall be withdrawn by the Trustee and remitted to the Lessee.

SECTION 5.7. Investment Earnings. The Trustee shall deposit all earnings resulting from the investment of moneys in any fund or account held under this Trust Agreement as provided in Section 7.3 hereof.

SECTION 5.8. Recordation and Filing. The Trustee shall cooperate fully with the Lessee, at the expense of the Lessee, with respect to the Lessee's filing and recording any amendments or supplements to the Site Lease and the Lease, all in such manner, at such times and in such places required in order fully to perfect, preserve and protect the security of the Certificateholder. It is not anticipated that financing statements recorded on the Closing Date will be renewed or continuation statements filed in connection therewith unless otherwise directly instructed by the Lessor or the County Treasurer, upon consultation with the Lessee. The Lessee and Lessor will do whatever else necessary or reasonably required in order to perfect and continue such security interest and assignment of the Lease.

SECTION 5.9. Preservation of Lien. The Trustee, at the written request and at the expense of the Lessee, and the Lessee covenant and agree to take such action as is necessary from time to time hereunder and under applicable law to preserve the priority of the pledge of the Lease Payments and other amounts pledged hereunder.

## ARTICLE VI

### NET INSURANCE PROCEEDS FUND AND CONDEMNATION PROCEEDS

SECTION 6.1. Establishment of Net Insurance and Condemnation Proceeds Fund; Application of Net Insurance and Condemnation Proceeds. The Trustee shall establish a special fund, at such time as deposits are required to be made therein, to be designated as the "Los Angeles County Schools Pooled Financing Program, 2013 Refunding Series A Santa Monica Community College District Net Insurance and Condemnation Proceeds Fund" (the "Net Insurance and Condemnation Proceeds Fund") and shall administer such fund, and any account therein, in accordance with the provisions hereof. All moneys at any time on deposit in the Net Insurance and Condemnation Proceeds Fund shall be held by the Trustee in trust for the benefit of the Certificateholder, and applied solely as provided herein.

The Trustee shall apply moneys on deposit in the Net Insurance and Condemnation Proceeds Fund as follows:

(a) Any Net Insurance and Condemnation Proceeds collected by the Lessee shall be transferred to the Trustee pursuant to Section 6.2(a) of the Lease and deposited by the Trustee in the Net Insurance and Condemnation Proceeds Fund to be held in trust and applied and disbursed by the Trustee as provided in Section 6.2 of the Lease.

(b) If any portion of the Leased Property is damaged or destroyed, or taken by condemnation proceedings, the Net Insurance and Condemnation Proceeds therefrom shall be deposited in the Net Insurance and Condemnation Proceeds Fund promptly upon receipt thereof and the Lessee shall certify to the County Treasurer, the Certificateholder and to the Trustee within forty-five (45) days (i) as to whether the Leased Property has been damaged or destroyed, or taken in whole or in part, (ii) as to whether the remaining portion of the Leased Property is still useful for the purposes originally intended, and (iii) as to whether it desires that any available Net Insurance and Condemnation Proceeds from such damages recovery or condemnation proceedings be applied for replacement of the Leased Property and, if so, that sufficient funds, together with such Net Insurance and Condemnation Proceeds, have been appropriated to pay the total cost of such replacement. If such certification is to the effect that the Leased Property has been damaged or destroyed, or taken in whole or in part to such extent that the remaining portion of Leased Property is no longer useful for the purposes originally intended, the Trustee

shall transfer all of such Net Insurance and Condemnation Proceeds to the Prepayment Fund to be applied to the partial prepayment of Certificates. If such certification is to the effect that the Leased Property has been damaged or destroyed, or taken in part and that the remaining portion of the Leased Property is still useful for the purposes originally intended, the Trustee shall transfer such Net Insurance and Condemnation Proceeds to the Lease Payment Fund to be applied to the restoration of the Project upon requisition therefor by the Lessee; provided that, if such certification is also to the effect that the Lessee desires that any available Net Insurance and Condemnation Proceeds be applied for replacement of the Leased Property and if the Lessee further certifies that sufficient funds, together with such Net Insurance and Condemnation Proceeds, have been appropriated or are otherwise available to pay the total cost of such replacement, the Trustee will disburse such Net Insurance and Condemnation Proceeds to the Lessee upon receipt of the requisition therefor in order for the Lessee to cause the Leased Property to be replaced or improved to at least the same good order, repair and condition as it was in prior to the damage or destruction or condemnation proceedings, insofar as the same may be accomplished with said funds, and the Trustee shall transfer any excess Net Insurance and Condemnation Proceeds to the Lease Payment Fund to be credited against the Lessee's next Lease Payment. If such certification is to the effect that the Leased Property has been damaged or destroyed, or taken in part and that the remaining portion of the Leased Property is still useful for the purposes originally intended, and the Trustee transfers funds to the Net Insurance and Condemnation Proceeds Fund, but the Lessee does not certify that there are sufficient funds to complete the replacement of the Leased Property, then the Trustee shall transfer all of such Net Insurance and Condemnation Proceeds to the related Prepayment Fund to be applied to the prepayment of the Certificates. The Lessee has covenanted in the Lease to use its best efforts to provide sufficient construction funds to make all required Lease Payments in excess of the amount of rental interruption insurance, if necessary, in order to ensure completion of the reconstruction, repair, restoration, modification or improvement of the Leased Property and the Leased Property Components.

SECTION 6.2. Excess Net Insurance and Condemnation Proceeds. After all of the Certificates have been retired and the entire amount of the Principal Components and Interest Components of the Certificates have been paid in full or provision having been made therefor satisfactory to the Trustee, including payment of the Trustee's fees and expenses, the Trustee shall then pay any remaining moneys in the Net Insurance and Condemnation Proceeds Fund to the Lessee.

SECTION 6.3. Cooperation. The Lessor and the Trustee shall cooperate fully with the Lessee, at the expense of the Lessee, with respect to the Lessee's filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of the Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to any part of the Leased Property; provided that the Trustee shall not be obligated to take any action if it has not been indemnified as provided herein.

## ARTICLE VII

### MONEYS IN FUNDS; INVESTMENT

SECTION 7.1. Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Certificateholder, with the exception of moneys held in the Rebate Fund, which are held in trust for rebate to the United States Government, and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Lessor, the Trustee, the Lessee or the Certificateholder, or any of them other than the lien in favor of Trustee permitted pursuant to Section 8.5 and Section 8.6 hereof.

SECTION 7.2. Investments Authorized. Moneys held by the Trustee hereunder, upon written order of the Business Services Representative or the County Treasurer (who are hereby designated as the agents of the Lessee for these purposes) upon consultation with the Lessee, shall be invested and reinvested by the Trustee in Permitted Investments. Investments shall not include corporate debt other than commercial paper rated in the highest category by the Rating Agencies. The Business Services Representative or the County Treasurer upon consultation with the Lessee, shall by written order filed with the Trustee direct such investment in specific Permitted Investments identified in such written order. Such investments, if registerable, shall be registered in the name of the Trustee or its nominee for the benefit of the Certificateholder and held by the Trustee or held in the name of the Trustee as a bank's trust department or separate safekeeping department in accordance with the Code and as approved by the Business Services Representative or the County Treasurer. Such investment direction shall be made giving full consideration for the time at which funds are required to be available based upon information provided by the Lessee. The Trustee and its affiliates may act as sponsor, advisor, purchaser or agent in the making or disposing of any investment. The Trustee covenants that in the absence of a written order of the Business Services Representative or the County Treasurer or his designee directing investments hereunder, the Trustee shall hold such funds uninvested pending the receipt of written investment instruction. The Trustee shall not be responsible for investments complying with yield restriction requirements, other than to follow the investment instructions of the Business Services Representative or the County Treasurer. The Lessor and the Lessee acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Lessor or the Lessee the right to receive brokerage confirmations of securities transactions as they occur, at no additional cost, the Lessor and the Lessee specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Lessee periodic cash transaction statements as provided herein which include detail for all investment transactions made by the Trustee hereunder.

SECTION 7.3. Disposition of Investments. Any income, profit or loss on the investment of moneys held by the Trustee hereunder shall be credited to the fund or account from which the investment was made, except as otherwise provided herein. All earnings resulting from the investment of moneys deposited in any fund or account held under this Trust Agreement will be retained in the fund or account in which earned and shall be applied for the purpose for which such fund or account is established.

SECTION 7.4. Accounting. The Trustee shall furnish to the Lessee, the Business Services Representative and the County Treasurer each month an accounting statement of all investments made by the Trustee in addition to accounting for the receipts and disbursements of the Lessee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made in accordance with Section 7.6 hereof, except for its own negligence and willful misconduct. The Lessee will maintain a Qualified Arbitrage Rebate Calculation Service for so long as any Certificates are Outstanding.

SECTION 7.5. Valuation of Investments and Accounts. With respect to all funds and accounts, the Trustee shall, at the expense of the Lessee, determine the value of investments held hereunder no less often than monthly, calculated as follows: (i) the value of the securities as computed on the basis of the closing bid price quoted by Interactive Data Systems, Inc; (ii) the valuation of the securities performed by a nationally recognized and accepted pricing service acceptable to the Certificateholder whose valuation method consists of the composite average of various bid price quotes on the valuation date; (iii) the valuation of collateral based on the lower of two dealer bids on the valuation date, which dealers or their parent holding companies are rated at least investment grade by S&P and Moody's, are market makers in the securities being valued; (iv) as to certificates of deposit and bankers acceptances, the face amount thereof, plus accrued interest; and (v) as to any investment not specified above, the value thereof established by the Lessee and the Certificateholder, as notified in

writing to the Trustee. In making any valuations hereunder, the Trustee may utilize pricing services (including brokers and dealers in securities) available to it, including those within its regular accounting system and may conclusively rely thereon. Any Permitted Investment shall be deemed to mature on the earliest date that the issuer thereof may be required to repay the principal thereof at principal without penalty. The Trustee shall sell, or present for prepayment or redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

SECTION 7.6. Deposit and Investment of Moneys in Funds. The Trustee shall have no duty or obligation to verify the legality of Permitted Investments directed by the Lessee, the Business Services Representative or the County Treasurer. Each written investment direction of the Lessee, the Business Services Representative or the County Treasurer shall contain a certification that such investments are Permitted Investments as defined herein.

## ARTICLE VIII

### THE TRUSTEE

SECTION 8.1. Appointment of Trustee. The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the Lessor for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Trust Agreement. The Lessor will maintain either The Bank of New York Mellon Trust Company, N.A., or a successor Trustee which successor Trustee is a commercial bank, national banking association, banking corporation or trust company having an office in Los Angeles, California, which, together with the corporate parent of such Trustee, has a combined capital (exclusive of borrowed capital) and surplus of at least Seventy-Five Million Dollars (\$75,000,000), and subject to supervision or examination by Federal or state authority, so long as any Certificates are Outstanding. If such bank, national banking association, banking corporation or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority referred to above, then for the purpose of this Section, the combined capital and surplus of such bank, national banking association, banking corporation or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee is hereby authorized to pay the Certificates when duly presented for payment at maturity, or upon prepayment as provided in this Trust Agreement of Certificates prior to maturity and to cancel all Certificates upon payment or prepayment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Certificates paid and discharged. The Trustee shall be compensated for its services rendered pursuant to the provisions of this Trust Agreement.

The Business Services Representative, with the advice and consent of the County Treasurer, so long as no Event of Default shall have happened and be continuing, may remove the Trustee initially appointed, and any successor thereto, for good cause and may appoint a successor or successors thereto; *provided*, that any such successor shall be a commercial bank, national banking association, banking corporation or trust company meeting the requirements set forth in this Section. In addition, the Trustee may be removed at any time, at the request of the Certificateholder, for any breach of the trust set forth herein.

The Trustee may resign by giving prior written notice to the Lessor to the Business Services Representative and to the County Treasurer. Upon receiving such notice of resignation, the



Lessor, the Business Services Representative and the County Treasurer, with the written consent of the Certificateholder, shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor thereto shall become effective upon acceptance of appointment by such successor. Notwithstanding any other provision of this Trust Agreement, no removal, resignation or termination of the Trustee shall take effect until a successor shall be appointed. Upon such acceptance, the successor trustee shall mail notice thereof to the Certificateholder at their respective addresses set forth on the Certificate registration books maintained pursuant to Section 2.11 hereof. In the event that neither the Lessor nor the Business Services Representative names a successor Trustee within 30 days of the Trustee's removal or receipt of notice of the Trustee's resignation, then the Trustee may petition a federal or state court of proper jurisdiction to seek the immediate appointment of a successor Trustee.

Every successor Trustee appointed pursuant to this Trust Agreement shall satisfy the requirements of this Section 8.1. Notwithstanding any other provision of this Trust Agreement, no removal, resignation or termination of the Trustee shall take effect until a successor, acceptable to Certificateholder as indicated in writing, shall be appointed.

SECTION 8.2. Liability of Trustee. The recitals of facts herein, in the Assignment Agreement and in the Certificates contained shall be taken as statements of the Lessee, and the Trustee assumes no, nor shall it have any, responsibility or liability for the correctness of the same, and makes no representations as to the validity or sufficiency of this Trust Agreement or the Certificates as to the value or condition of the trust estate or any part thereof, as to the title of the Lessee thereto, as to the security afforded thereby or by this Trust Agreement, as to the tax status of the Interest Component with respect to the Certificates, or as to the technical or financial viability of the Lessee, and shall incur no responsibility nor have any liability in respect thereof. The Trustee shall not be accountable in any manner whatsoever for the use or application by the Lessee of the Certificates or the proceeds thereof or of any moneys paid to the Lessee pursuant to the terms of this Trust Agreement. The Trustee shall, however, be responsible for its representations in relation to the execution of the Certificates. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys, and the Trustee shall not be directly responsible for any misconduct or negligence on the part of any agent (other than an employee) or attorney appointed with due care. The Lessee shall not be deemed an agent of the Trustee for any purpose, and the Trustee shall not be responsible for the compliance by the Lessee with its duties hereunder in connection with the transactions contemplated herein. The Trustee may become the Certificateholder 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 their 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 Certificateholder, whether or not such committee shall represent the Certificateholder of the majority in principal amount of the Certificates then Outstanding. No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder or thereunder, or in the exercise of its rights or powers.

In accepting the trusts hereby created, the Trustee acts solely as Trustee for the Certificateholder and not in its individual capacity and all persons, including without limitation the Certificateholder, Lessor and Lessee having any claim against the Trustee arising from this Trust Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates.

The Trustee makes no representation or warranty, express or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition,

merchantability or fitness for any particular purpose or fitness for the use contemplated by the Lessor and the Lessee of the Project. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Lease or this Trust Agreement for the existence, furnishing or use of the Project.

The Trustee shall not be accountable for the use or application by the Lessee or any other party of any funds which the Trustee has released in accordance with the provisions of this Trust Agreement. Every provision of this Trust Agreement, the Lease, the Site Lease and the Assignment Agreement relating to the conduct or liability of the Trustee shall be subject to the provisions of this Trust Agreement, including without limitation, this Article. The Trustee is authorized and directed to execute in its capacity as Trustee hereunder the Assignment Agreement.

The Trustee is not responsible for any official statement or any other offering material prepared or distributed with respect to the Certificates. The Trustee shall not be liable for any action taken or not taken by it in accordance with the written direction of the Certificateholder relating to the time, method and place of conducting any proceeding or remedy available to the Trustee, or in the exercise of any trust or power conferred to the Trustee under this Trust Agreement.

Prior to taking any action under Article XII or this Article at the request of the Certificateholder, the Trustee may require that a satisfactory indemnity bond be furnished by the Certificateholder for the reimbursement of all expenses to which it may incur and to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct in connection with any action so taken under Article XII or this Article.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay (“unavoidable delay”) in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Trust Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Lessee elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee’s understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Lessee agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Trustee shall, prior to an Event of Default, and after the curing of all Events of default which may have occurred hereunder, perform such duties and only such duties are specifically set forth herein. The Trustee shall, during the existence of any Event of Default, which has not been cured, 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 prudent persons would exercise or use under the circumstances in the conduct of their own affairs.

SECTION 8.3. Merger or Consolidation. Any company or national banking association into which the Trustee may be merged or converted or with which it may be consolidated or any company, banking corporation or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company, banking corporation or national banking association to which the Trustee may sell or transfer all or substantially all of its corporate trust business, *provided* that such company or national banking association shall meet the requirements set forth in Section 8.1 hereof, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding. Notice of such merger or consolidation shall be given to the Lessor, the Business Services Representative, the Certificateholder and the County Treasurer.

SECTION 8.4. Protection and Rights of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any affidavit, bond, certificate, consent, notice, request, requisition, resolution, statement, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, including, but not limited to, the legality of any investment in which Trustee is instructed to invest, but may, in the absence of negligence or bad faith on its part, accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may consult with counsel, who may be counsel to the Lessee, with regard to legal questions and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in good faith in accordance therewith.

Whenever in the administration of its duties under 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), in the absence of negligence or bad faith on its part, shall be deemed to be conclusively proved and established by the certificate of the Lessee's Authorized Signatory or the Lessor Representative and such certificate shall be full warranty to the Trustee, in the absence of negligence or bad faith on its part, for any action taken or suffered under the provisions of this Trust Agreement upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable to the Trustee.

The Trustee may be or become the Certificateholder with the same rights it would have if it were not Trustee; may acquire and dispose of any bonds or other evidence of indebtedness of the Lessee with the same rights it would have if it were not the Trustee and may act as a 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 the Certificateholder.

The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer shall have actual knowledge thereof, or shall have received written notice thereof, at its Principal Corporate Trust Office. Except as otherwise expressly provided herein, the

Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Certificates, or as to the existence of an Event of Default thereunder.

The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its gross negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

In acting or omitting to act pursuant to the Lease, the Site Lease, or any other agreement executed in connection hereof or thereof to which the Trustee is a party, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Trust Agreement, including, but not limited to, this Article VIII.

SECTION 8.5. Compensation of the Trustee. The Lessee shall on demand pay to the Trustee reasonable compensation for the Trustee's regular services hereunder as provided in the written fee schedule of the Trustee furnished to the Lessee and shall reimburse the Trustee, for all advances (with interest on such advances at the maximum rate allowed by law) and expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys or other experts employed by the Trustee in the exercise and performance of its powers and duties hereunder and the Trustee shall have a lien therefor on all funds and property attributable to a defaulting party, at any time held by it under this Trust Agreement, which lien shall not be prior and superior to the lien of the Certificateholder unless there has occurred an Event of Default in which event the lien of the Trustee shall be prior and superior to the lien of the Certificateholder. The Lessee's obligations hereunder shall remain valid and binding, notwithstanding the maturity and payment of the Certificates. The compensation of the Trustee hereunder shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 8.6. Indemnification of Trustee. To the extent permitted by law, the Lessee shall indemnify and save the Trustee and its officers, directors, employees, agents, successors or assigns harmless from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of (i) the actions of any other party, including but not limited to the ownership, operation or use of Leased Property by the Lessee, or (ii) the Trustee's exercise and performance of its powers and duties hereunder, under the Lease, the Site Lease and any other document or transaction contemplated in connection herewith or therewith. No indemnification will be made under this Section or elsewhere in this Trust Agreement for negligence or willful misconduct under this Trust Agreement by the Trustee, its officers or employees. The Lessee's obligations hereunder shall remain valid and binding notwithstanding the defeasance, maturity and payment of the Certificates or the resignation or removal of the Trustee.

## ARTICLE IX

### MODIFICATION OR AMENDMENT OF AGREEMENTS

SECTION 9.1. Amendments Permitted. This Trust Agreement and the rights and obligations of the Certificateholder and the Lease and the Site Lease and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement, which shall become effective when the written consent of the Corporation and the Certificateholder shall have been

filed with the Trustee, without any further agreement, action or consent. Any such supplemental agreement shall be provided by the Lessee to the Rating Agencies at least ten (10) days prior to the effective date thereof.

SECTION 9.2. Disqualified Certificates. Certificates actually known by a Responsible Officer of the Trustee to be owned or held by or for the account of the Lessee or the Lessor or by any person directly or indirectly controlled by, or under direct or indirect common control of, the Lessee or the Lessor (except any Certificates held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action provided for in this Trust Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement unless 100% in aggregate principal amount of the Certificates are so owned. Upon request of the Trustee, the Lessor or the Lessee shall specify to the Trustee those Certificates disqualified pursuant to this Section and the Trustee may conclusively rely on such certification.

SECTION 9.3. Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this Article, this Trust Agreement or the Lease, shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the parties hereto or thereto and the Certificateholder, as the case may be, shall thereafter be determined, exercised and enforced hereunder and thereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Lease, as the case may be, for any and all purposes.

SECTION 9.4. Endorsement or Replacement of Certificates Delivered After Amendments. The Lessee may determine that Certificates delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement, in form approved by the Lessee and the Trustee, as to such action. In that case, upon demand of the Certificateholder of any Certificate Outstanding at such effective date and presentation of his Certificate for that purpose at the office of the Trustee, a suitable notation shall be made on such Certificate. The Lessee may determine that new Certificates, so modified as in the opinion of the Lessee is necessary to conform to such Certificateholder's action, shall be prepared, executed and delivered. In that case, upon demand of the Certificateholder of any Certificate then Outstanding, such new Certificate shall be exchanged in the Principal Corporate Trust Office of the Trustee without cost to the Certificateholder, for a Certificate of the same character then Outstanding, upon surrender of such Certificate.

SECTION 9.5. Amendatory Endorsement of Certificates. Subject to Section 9.1 hereof, the provisions of this Article shall not prevent the Certificateholder from accepting any amendment as to the particular Certificates held by the Certificateholder.

SECTION 9.6. Execution of Supplemental Agreements. The Trustee shall not be obligated to execute any supplemental agreement affecting its rights, duties, protections, immunities and indemnities accorded to it under this Trust Agreement. Prior to its execution of a supplemental agreement, the Trustee is entitled to receive, at the expense of the Lessee, an opinion of counsel stating that the execution of such amendment is authorized or permitted under this Trust Agreement.

## ARTICLE X

### COVENANTS; NOTICES

SECTION 10.1. Compliance with and Enforcement of the Lease. The Lessee covenants and agrees with the Certificateholder to perform all obligations and duties imposed on them,

respectively, hereunder and under the Lease. The Lessor covenants and agrees with the Certificateholder to perform all obligations and duties imposed under the Lease.

The Lessee will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission or refraining from action, would or might be a ground for cancellation or termination of the Lease by the Lessor thereunder. The Lessor and the Lessee, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting the estate, in the Leased Property and the Project, which may or can in any manner affect such estate of the Lessee, will deliver the same, or a copy thereof, to the Trustee.

SECTION 10.2. Lessee's Budget. Pursuant to the Lease, the Lessee shall supply to the Trustee, prior to the beginning of the fiscal year, a certification in the form of Exhibit D hereto, that the Lessee has made adequate provision in its proposed annual budget for the payment of Lease Payments due under the Lease in the fiscal year covered by such budget. The certification given by the Lessee to the Trustee shall be to the effect that the amounts so budgeted are fully adequate for the payment of all Lease Payments due under the Lease in such fiscal year. If the certification states that the amounts so budgeted are not stated to be adequate for the payment of Lease Payments due under the Lease, the Trustee will notify the Lessee to take such action as may be necessary to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required to be raised by the Lessee in the ensuing fiscal year for the payment of Lease Payments due under the Lease and will notify the Trustee of the proceedings then taken or proposed to be taken by the Lessee; and the Trustee shall forward a copy of such notice to the Business Services Representative, the Lessee and the County Treasurer. The Trustee shall be protected in relying upon any certification or such notice from the Lessee, and the Trustee shall have no further responsibility for the evaluation of such budget data. The Lessee shall keep the Trustee, the Business Services Representative and the County Treasurer advised of all proceedings thereafter taken by the Lessee.

SECTION 10.3. Investment Policy. The Lessee hereby authorizes the Trustee, the Business Services Representative or the County Treasurer to invest funds and accounts attributable to the Leased Property and the Project in any investment consistent with the County Investment Policy. If the Trustee invests funds pursuant to instructions pursuant to Section 7.2 hereof, the Trustee will be deemed to have complied with the County Investment Policy. To the extent permitted by law, the Lessee shall and hereby agrees to indemnify and save the Lessor, the Trustee, the Business Services Representative and the County Treasurer and each of their respective successors, assigns, agents, officers, employees and servants harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of any act or negligence with respect to the investment of funds and accounts pursuant to the Lease or this Trust Agreement.

SECTION 10.4. Further Assurances. The Lessor and the Lessee will 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 Trust Agreement, and for the better assuring and confirming unto the Certificateholder of the rights and benefits provided herein.

## ARTICLE XI

### LIMITATION OF LIABILITY

SECTION 11.1. Limited Liability of the Lessee. Except for the payment of Lease Payments, Additional Payments and Prepayments when due in accordance with the Lease and the

performance of the other covenants and agreements of the Lessee contained herein and in the Lease, the Lessee shall have no obligation or liability to any of the other parties or to the Certificateholder with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Certificateholder by the Trustee.

SECTION 11.2. No Liability of the Lessee or Lessor for Trustee Performance. Except as expressly provided herein, neither the Lessee nor the Lessor shall have any obligation or liability to any of the other parties or to the Certificateholder with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

SECTION 11.3. Limited Liability of Trustee. The Trustee shall have no obligation or responsibility for providing information to the Certificateholder concerning the investment character of the Certificates, for the sufficiency or collection of the Lease Payments or other moneys required to be paid to it under the Lease (except as provided in this Trust Agreement) or for the actions or representations of any other party to this Trust Agreement. The Trustee shall have no obligation or liability to any of the other parties or the Certificateholder with respect to this Trust Agreement or the failure or refusal of any other party to perform any covenant or agreement made by any of them under this Trust Agreement and the Lease, but shall be responsible solely for the performance of the duties and obligations expressly imposed upon it hereunder. The recitals of facts, covenants and agreements herein and in the Certificates contained shall be taken as statements, covenants and agreements of the Lessee or the Lessor (as the case may be), and the Trustee assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of this Trust Agreement or of the Certificates, shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Certificates assigned to or imposed upon it. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

SECTION 11.4. Opinion of Counsel. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon. The Trustee shall not be responsible for the sufficiency of the Lease, its right to receive moneys pursuant to the Lease or the value of or title to the premises upon which the Project is located. The Trustee shall not be responsible or liable for any losses suffered in connection with any investment of funds made by it under the terms of and in accordance with this Trust Agreement.

SECTION 11.5. Limitation of Rights to Parties and the Certificateholder. Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the Lessee, the Lessor, the Trustee and the Certificateholder, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the Lessee, the Lessor, the Trustee and the Certificateholder.

## ARTICLE XII

### ASSIGNMENT OF RIGHTS; EVENTS OF DEFAULT AND REMEDIES OF OWNERS

SECTION 12.1. Assignment of Rights. Pursuant to the Assignment Agreement, the Lessor has transferred, assigned and set over to the Trustee for the benefit of the Certificateholder (1) all of the Lessor's rights to receive Lease Payments and Prepayments without recourse to be paid by the Lessee under and pursuant to the Lease and the Site Lease and (2) effective immediately upon the

occurrence of an Event of Default under the Lease or the Site Lease and without further action on the part of the Lessor, such rights and remedies of the Lessor under the Lease and the Site Lease, as applicable, as may be necessary or convenient (i) to enforce payment of the Lease Payments, Prepayments and any other amounts required to be deposited in the Lease Payment Fund, the Net Insurance and Condemnation Proceeds Fund and Prepayment Fund, or (ii) otherwise to protect the interests of the Certificateholder or the Trustee upon the occurrence of an Event of Default.

SECTION 12.2. Events of Default Defined. The following shall be “Events of Default” under this Trust Agreement:

(a) An Event of Default shall have occurred under Section 9.1 of the Lease or Section 11 of the Site Lease.

(b) Failure by the Lessee or the Lessor to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Trust Agreement or the Lease, other than such failure as may constitute an Event of Default under clause (a) of this Section 12.2, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Lessee and Lessor by the Trustee or the Certificateholder or if the failure stated in the notice cannot be corrected within such thirty (30) day period, where the Lessee shall fail to institute corrective action within such thirty (30) day period and diligently pursue the same to completion; provided, however, that completion of such corrective action shall not in any event occur more than thirty (30) days after the written notice required by this Section 12.2(b) without the written consent of the Certificateholder.

SECTION 12.3. Notice of Events of Default. If an Event of Default shall occur and be continuing, the Trustee shall give notice of such Event of Default to the Certificateholder. Such notice shall identify the party in default and shall provide a brief description of such Event of Default. The Trustee in its discretion may withhold such notice if it deems it in the best interests of the Certificateholder. The notice provided in this Section 12.3 shall be given by registered or certified mail to the Certificateholder within thirty (30) days of such occurrence of the Event of Default.

SECTION 12.4. Remedies. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may exercise any and all remedies available pursuant to law or granted pursuant to the Lease under which such Event of Default has occurred; provided, however, that notwithstanding anything herein or in the Lease to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Certificates or otherwise to declare the Lease Payments not then in default to be immediately due and payable. Anything in this Trust Agreement to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as defined herein, the Certificateholder shall be entitled to control and direct the enforcement of all rights and remedies granted to the Trustee for the benefit of the Certificateholder under this Trust Agreement.

Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Lessee, the Lessor, the Trustee and the Certificateholder, any right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the Lessee shall be for the sole and exclusive benefit of the Lessee, the Lessor, the Trustee and the Certificateholder.

SECTION 12.5. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article or of Article VIII of the Lease and



any other funds then held by the Trustee, shall be deposited into the Lease Payment Fund and be applied by the Trustee in the following order upon presentation of the several Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

(a) First, to the payment of the fees, costs and expenses of the Trustee (including reasonable compensation to its agents, attorneys and counsel) incurred in connection with the performance of its powers and duties under this Trust Agreement and the Lease;

(b) Second, to the payment to the persons entitled thereto of all amounts representing the Interest Component then due in the order of the maturity of such installment, and, if the amount available shall not be sufficient to pay in full any Interest Component maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

(c) Third, to the payment to the persons entitled thereto of the unpaid Principal Component which shall have become due, whether at maturity or by call for prepayment, in the order of their due dates, with interest due with respect to the overdue Principal Component or Interest Component at a rate equal to the rate paid on the Certificates and, if the amount available shall not be sufficient to pay in full all the amounts due on the Certificates on any date, together with such interest, then to the payment thereof ratably, according to the amount of the Principal Component due on such date to the persons entitled thereto, without any discrimination or preference; and

(d) Fourth, to the extent not included in subsections (a), (b) or (c) above, to the payment of the fees, costs and expenses of the Certificateholder (including reasonable compensation to its or their agents, attorneys and counsel) in declaring an Event of Default.

SECTION 12.6. Institution of Legal Proceedings. If one or more Events of Default shall occur and be continuing, the Trustee in its discretion may, and upon the written request of the Certificateholder received by the Trustee at its Principal Corporate Trust Office, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Certificateholder by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein or in the Lease, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as shall be deemed most effectual in support of any of its rights or duties hereunder. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Certificateholder any plan of reorganization, arrangement, adjustment, or composition affecting the Certificates or the rights of the Certificateholder thereof, or to authorize the Trustee to vote in respect of the claim of any Certificateholder in any such proceeding without the approval of the Certificateholder so affected.

SECTION 12.7. Non-waiver. Nothing in this Article or in any other provision of this Trust Agreement or in the Certificates shall affect or impair the obligations of the Lessee, which obligations are absolute and unconditional, to pay or prepay the Lease Payments as provided in the Lease. No delay or omission of the Trustee or of the Certificateholder to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article to the Trustee or to the Certificateholder may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificateholder.

SECTION 12.8. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Certificateholder is intended to be exclusive of any other remedy, and

every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

SECTION 12.9. Power of Trustee to Control Proceedings. If the Trustee, upon the occurrence of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Certificateholder of a majority in principal amount of the Certificates then Outstanding, it shall have full power, in the exercise of its discretion for the best interest of the Certificateholder with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Certificateholder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation. This Section 12.9 is subject to all rights granted to the Certificateholder hereunder.

SECTION 12.10. Limitation on the Certificateholder's Right to Sue. The Certificateholder shall not have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Certificateholder shall have previously given to the Trustee written notice of the occurrence of an Event of Default under the Lease; (b) the Certificateholder shall have made written request upon the Trustee to exercise the powers herein before granted or to institute such action, suit or proceeding in its own name; (c) said Certificateholder shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by the Certificateholder of any remedy hereunder; it being understood and intended that the Certificateholder shall not have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement except in the manner herein provided.

The right of the Certificateholder to receive payment of said Certificateholder's interest in the Lease Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Certificateholder, notwithstanding the foregoing provisions of this Section 12.10 or any other provision of this Trust Agreement.

SECTION 12.11. Agreement to Pay Attorneys' Fees and Expenses. In the event that the Lessee or the Lessor should default under any of the provisions hereof and the nondefaulting party or parties should employ attorneys or incur other expenses for the collection of moneys or the enforcement or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party or parties; provided, however, that the Trustee shall not be required to expend its own funds for any payment described in this Section.

SECTION 12.12. No Liability by the Lessor Except as Expressly Provided Herein. The Lessor shall not have any obligation or liability to the Certificateholder with respect to the payment when due of the Lease Payments by the Lessee, or with respect to the performance by the Lessee of the other agreements and covenants required to be performed by it contained in the 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.

### ARTICLE XIII

#### MISCELLANEOUS

SECTION 13.1. Defeasance. Defeasance shall be deemed to occur if any or all Outstanding Certificates are paid and discharged in any one or more of the following ways:

(a) By well and truly paying or causing to be paid the Principal Components and Interest Components and prepayment premiums, if any, on all or a portion of the Certificates Outstanding, as and when the same become due and payable;

(b) If prior to maturity and having given notice of prepayment by irrevocably depositing with the Trustee, in trust, at or before maturity, an amount of cash which, together with available amounts then on deposit in the Lease Payment Fund, is sufficient to pay all or a portion of the Certificates Outstanding, including all Principal Components, Interest Components, and prepayment premium, if any;

(c) By irrevocably depositing with the Trustee, in trust, noncallable, nonprepayable Defeasance Obligations in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit and available in the Lease Payment Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Certificates (including all Principal Components and Interest Components represented thereby and prepayment premium, if any) at or before their maturity date and the fees and expenses of the Trustee have been paid in full; or

(d) By irrevocably depositing with the Trustee, under an escrow deposit and trust agreement, security for the payment of all or a portion of Lease Payments as more particularly described in Section 10.1 of the Lease, said security to be held by the Trustee as agent for the Lessee to be applied by the Trustee to pay the Lease Payments as the same become due and payable and make a Prepayment in full on the Lease Payment Date pursuant to Section 10.1 of the Lease.

To accomplish defeasance, the Lessee shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be addressed to and acceptable to the Certificateholder verifying the sufficiency of the escrow established to pay the Certificates in full on the maturity or prepayment date (a "Verification"), (ii) an escrow deposit agreement (which shall be acceptable in form and substance to the Certificateholder), (iii) an opinion of nationally recognized special counsel addressed to the Trustee and the Certificateholder to the effect that the Certificates are no longer "Outstanding" under this Trust Agreement and (iv) a certificate of discharge of the Trustee which may rely on the Verification with respect to the Certificates; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed to the Lessee, the Trustee and the Certificateholder. The Certificateholder shall be provided with final drafts of the above-referenced documentation not less than five (5) business days prior to the funding of the Prepayment Fund. The Certificate shall be deemed "Outstanding" under the Trust Agreement unless and until they are in fact paid and retired or the above criteria are met.

Notwithstanding that any Certificates shall not have been surrendered for payment, all obligations of the Lessor, the Trustee and the Lessee with respect to all or a portion of Outstanding Certificates shall cease and terminate, except only the obligations of the Lessee under Section 8.6 hereof,

the obligation of the Trustee pursuant to Section 2.7 hereof and its obligations to pay or cause to be paid, from Lease Payments paid by or on behalf of the Lessee from funds deposited pursuant to paragraphs (b) through (d) of this Section, to the Certificateholder not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to such paragraphs, the Certificates shall continue to evidence and represent direct and proportionate interests of the Certificateholder in Lease Payments.

Any funds held by the Trustee, at the time of one of the events described in paragraphs (b) through (d) of this Section, which are not required for the payment to be made to the Certificateholder, as verified by a certified public accountant, shall be paid over to the Lessee pursuant to the Lessee's written request therefor; provided that the fees and expenses of the Trustee have been fully paid.

SECTION 13.2. Records. (a) The Trustee shall keep complete and accurate records of all moneys received and disbursed by it under this Trust Agreement, which shall be available for inspection by the Lessee, the Lessor and Certificateholder, or the agent of any of them, at any time during regular business hours with reasonable prior notice.

(b) Annual audited financial statements of the Lessee within 150 days after the end of the Lessee's fiscal year, together with a certification of the Lessee that it is not aware of any default under the Lease or Event of Default under this Trust Agreement, and the Lessee's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Certificateholder shall reasonably request from time to time shall be provided by the Lessee to the Certificateholder.

SECTION 13.3. Notices. All written notices to be given under this Trust Agreement shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice to the Trustee shall be effective upon receipt, and notice to the other parties shall be deemed effective upon receipt and shall be deemed to have been received upon the earlier of actual receipt or five Business Days after deposit in the United States mail, in certified form, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to the Lessee: Santa Monica Community College District  
1900 Pico Boulevard  
Santa Monica, California 90405  
Attention: Mr. Robert Isomoto, Vice President, Business/Administration

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, Suite 400  
Los Angeles, California 90071  
Attention: Deborah Young, CCTS, Vice President

If to the Lessor: Los Angeles County Schools  
Regionalized Business Services Corporation  
9300 East Imperial Highway  
Downey, California 90242-2890  
Attention: Assistant Director, Financial Management Services

If to the Capital One, N.A.  
Certificateholder:

Attention:

SECTION 13.4. Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State applicable to contracts made and performed therein.

SECTION 13.5. Binding Effect; Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement either the Lessor, the Lessee, the Certificateholder or the Trustee are named or referred to, such reference shall be deemed to include the successors or assigns thereof and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Lessor, the Lessee or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 13.6. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

SECTION 13.7. Destruction of Canceled Certificates. Whenever in this Trust Agreement provision is made for the surrender or cancellation by the Trustee and the delivery to the Lessor of any Certificates, the Lessee's Authorized Signatory, the County Treasurer or the Business Services Representative may request the Trustee to furnish to the Lessee, the Business Services Representative and the County Treasurer a certificate of destruction of such Certificates, upon their destruction.

SECTION 13.8. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or other subdivisions of this Trust Agreement; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision hereof.

SECTION 13.9. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 13.10. Interested Parties. Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Lessee, the Trustee, and the Certificateholder, any right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulation, promises and agreements in this Trust Agreement contained by and on behalf of the Lessee shall be for the sole and exclusive benefit of the Lessee, the Trustee, and the Certificateholder.

SECTION 13.11. Severability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall

not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant to this Trust Agreement, irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date and year first above written.

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Officer

LOS ANGELES COUNTY SCHOOLS  
REGIONALIZED BUSINESS SERVICES  
CORPORATION, as Lessor

By: \_\_\_\_\_  
Executive Director

SANTA MONICA COMMUNITY COLLEGE  
DISTRICT, as Lessee

By: \_\_\_\_\_  
Authorized Officer

EXHIBIT A

**FORM OF CERTIFICATE**

(Los Angeles County Schools Pooled Financing Program)  
2013 Refunding Series A  
(Santa Monica Community College District)

Evidencing the Proportionate Undivided Interest of the Certificateholder  
Hereof in Lease Payments to Be Made by

SANTA MONICA COMMUNITY COLLEGE DISTRICT

Pursuant to Lease Agreement with

LOS ANGELES COUNTY SCHOOLS REGIONALIZED  
BUSINESS SERVICES CORPORATION

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP No.</u>
%	February 1, 20__	[Closing Date]	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THIS IS TO CERTIFY THAT the registered owner named above, or registered assigns (the "Registered Owner") of this Certificate of Participation (the "Certificate") is the Certificateholder of a proportionate and undivided interest in the right to receive and collect certain Lease Payments, Additional Payments and Prepayments (as defined in the Trust Agreement) to be made by the SANTA MONICA COMMUNITY COLLEGE DISTRICT, a community college district duly organized and existing under and by virtue of the Constitution and laws of the State of California, as Lessee (the "Lessee") pursuant to the Lease Agreement, dated as of December 1, 2013 (the "Lease"), by and between the LOS ANGELES COUNTY SCHOOLS REGIONALIZED BUSINESS SERVICES CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessor (the "Lessor"), and the Lessee, which Lease Payments and certain other rights and interests under the Lease have been assigned to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as trustee (the "Trustee") under the Trust Agreement, dated as of December 1, 2013 (the "Trust Agreement"), by and among the Lessee, the Lessor and the Trustee. Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Trust Agreement or the Lease, as applicable.

The Certificates are being executed and delivered in order to obtain funds to refinance the acquisition, construction and/or installation of certain improvements for the benefit of the Lessee, and to pay the costs of execution and delivery of the Certificates.

Unless this Certificate is presented by an authorized representative of The Depository Trust Company to the Trustee or any Certificate executed and delivered 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 OTHER PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Lease, on the maturity date specified above (the "Principal Payment Date"), the principal amount specified above, representing a portion of the Lease Payments designated as principal (the "Principal Component"), and to receive on August 1, 2014, and semiannually thereafter on February 1, and August 1 of each year (each, an "Interest Payment Date") until payment in full of said Principal Component, the Registered Owner's portion of the Lease Payments designated as interest (the "Interest Component") coming due during the six months immediately preceding each of the Payment Dates (collectively, each Principal Payment Date and Interest Payment Date is hereinafter referred to as a "Payment Date"); *provided*, that such Interest Component shall be payable from the Interest Payment Date next preceding the date of execution of this Certificate (unless (i) it is executed as of an Interest Payment Date, in which event the Interest Component shall be payable from the date of execution thereof; (ii) it is executed after a Record Date and before the following Interest Payment Date, in which event the Interest Component shall be payable from such following Interest Payment Date; or (iii) it is executed on or before a Record Date, in which event the Interest Component shall be payable from the date of delivery of the Certificates). The "Record Date" is the close of business on the fifteenth day of the month preceding a Payment Date, whether or not such day is a business day. There shall be no execution or registration of transfer of Certificates during the period established by the Trustee for selection of Certificates for prepayment or any Certificate selected for prepayment. The Interest Component is the result of the multiplication of the Principal Component by the rate per annum identified above. Interest with respect to the Certificates shall be calculated on the basis of a 360-day year, comprised of twelve months of 30 days each. Said amounts are payable by check in lawful money of the United States of America. The amount representing Principal Component payable at maturity or upon prepayment in whole is payable to the Registered Owner by wire transfer or check of the Trustee upon presentation and surrender of this Certificate at the Principal Corporate Trust Office. The amounts representing Interest Component are payable by check mailed on the applicable Interest Payment Date by first class mail by the Trustee to the Registered Owner hereof at his address as it appears on the registration books of the Trustee or by wire transfer to a bank account in the United States in the case of Registered Owners owning \$1,000,000 or more in aggregate principal amount of Certificates who have furnished instructions in writing to the Trustee at least 15 days prior to the Record Date for the related Payment Date.

The total amount of each payment made to the Registered Owner of this Certificate is comprised of interests in the Principal Component and Interest Component of Lease Payments made by the Lessee.

This Certificate has been executed and delivered by the Trustee pursuant to the Trust Agreement. The Lessee is authorized to enter into the Lease and the Trust Agreement under the Constitution and the laws of the State of California. Reference is hereby made to the Lease and the Trust Agreement (copies of which are on file at the Principal Corporate Trust Office) for a description of the terms on which the Certificates are executed and delivered, the rights thereunder of the Registered Owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the Lessee under the Lease, to all of the provisions of which the Lease and Trust Agreement the Registered Owner of this Certificate, by acceptance hereof, assents and agrees.

The Lessee is obligated to pay Lease Payments from any source of legally available funds, and the Lessee has covenanted in the Lease to make the necessary annual appropriations therefor. The obligation of the Lessee to pay the Lease Payments does not constitute an obligation of the Lessee for which the Lessee is obligated to levy or pledge any form of taxation or for which such Lessee has levied

or pledged any form of taxation. The obligation of the Lessee to pay the Lease Payments does not constitute a debt of the Lessee, the State of California or any of its political subdivisions, and does not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Under certain circumstances, the Lessee is not obligated to make Lease Payments due to the loss or destruction of all or a portion of the Leased Property. To the extent that the Lessee receives net proceeds of property damage and business or rental interruption insurance, such net proceeds will be applied to offset abated Lease Payments otherwise due from the Lessee.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the Certificateholder, and may be amended without such consent under certain circumstances but in no event such that the interests of the Registered Owners of the Certificates are adversely affected. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of Principal Component or Interest Component, or reducing the amount of Principal Component thereof or reducing any premium payable upon the prepayment thereof, without the express consent of the Registered Owner of such Certificate, or (2) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of the Trust Agreement or the Lease, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto.

This Certificate is transferable by the Registered Owner hereof, in person or by his duly authorized attorney, at the Principal Corporate Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Certificate. Upon such transfer, a new Certificate or Certificates, of Authorized Denomination or denominations, for the same aggregate Principal Component, maturity and interest rate, will be delivered to the transferee. This Certificate also may be exchanged for a like aggregate Principal Component of Certificates of other Authorized Denominations as prescribed in the Trust Agreement. The Lessee, the Lessor and the Trustee may treat the Registered Owner hereof as the absolute Owner hereof for all purposes whether or not this Certificate shall be overdue, and the Lessee, the Lessor and the Trustee shall not be affected by any notice to the contrary.

The Certificates are subject to prepayment as set forth in the Trust Agreement. If this Certificate is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, the Interest Component shall cease to accrue with respect hereto from and after the date fixed for prepayment.

THIS IS TO FURTHER CERTIFY that all acts, conditions and things required by the Trust Agreement to exist, to have happened and to have been performed by or in relation to the Trustee 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, and that the Principal Component of this Certificate, together with all other Certificates executed and delivered under the Trust Agreement, is not in excess of the Principal Components of Certificates authorized to be executed and delivered thereunder.

THE LESSEE HAS CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of California and the provisions of the Trust Agreement to exist, to have happened and to have been performed precedent to and in the execution and delivery of this Certificate, do exist, have happened and have been performed in due time, form and manner as required by law.

THE TRUSTEE HAS NO OBLIGATION OR LIABILITY TO THE REGISTERED OWNERS TO MAKE PAYMENTS OF PRINCIPAL COMPONENTS OR INTEREST COMPONENTS OR LEASE PAYMENTS PERTAINING TO THE CERTIFICATES EXCEPT FROM LEASE PAYMENTS PAID TO THE TRUSTEE AND FROM THE VARIOUS FUNDS AND ACCOUNTS ESTABLISHED UNDER THE TRUST AGREEMENT. THE TRUST AGREEMENT PROVIDES THAT THE RECITALS OF FACTS, COVENANTS AND AGREEMENTS IN THE CERTIFICATE SHALL BE TAKEN AS STATEMENTS, COVENANTS AND AGREEMENTS OF THE LESSEE, AND THE TRUSTEE ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF THE SAME.

The Trustee has executed this Certificate solely in its capacity as Trustee under the Trust Agreement and not in its individual or personal capacity.

IN WITNESS WHEREOF, this Certificate has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Officer

Date of Execution: [Closing Date]

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the Undersigned hereby sells, assigns and transfers unto:

\_\_\_\_\_  
(please print or typewrite name, address and social security or other identifying number of Transferee) the  
within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints:

\_\_\_\_\_  
attorney, to transfer the within Certificate on the books kept for registration thereof, with full power of  
substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed By:

\_\_\_\_\_  
NOTICE: 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.

Notice: The signature to this assignment must  
correspond with the signature as it appears  
upon the face of the within Certificate in every  
particular, without alteration or enlargement or  
any change whatever.

**EXHIBIT B**

**SCHEDULE OF PRINCIPAL AND INTEREST COMPONENTS**

<b>Payment Dates</b>	<b>Principal Components</b>	<b>Interest Components</b>	<b>Total</b>
August 1, 2014	\$	\$	\$
February 1, 2015			
August 1, 2015			
February 1, 2016			
August 1, 2016			
February 1, 2017			
August 1, 2017			
February 1, 2018			
August 1, 2018			
February 1, 2019			
August 1, 2019			
February 1, 2020			
August 1, 2020			
February 1, 2021			
August 1, 2021			
February 1, 2022			
August 1, 2022			
February 1, 2023			
August 1, 2023			
February 1, 2024			
August 1, 2024			
February 1, 2025			
August 1, 2025			
February 1, 2026			
August 1, 2026			
February 1, 2027			

**EXHIBIT C**

**FORM OF REQUISITION**

The Bank of New York Mellon Trust Company, N.A., as Trustee  
400 South Hope Street, Suite 400  
Los Angeles, California 90071  
Attention: Deborah Young

RE: Disbursement from the Costs of Delivery Fund pursuant to the Trust Agreement, dated as of December 1, 2013 (the "Trust Agreement") by and among Santa Monica Community College District, as Lessee, the Los Angeles County Schools Regionalized Business Services Corporation, as Lessor, and the Trustee.

REQUISITION NO. \_\_

The undersigned hereby states and certifies:

1. That he/she is the duly appointed, qualified and acting \_\_\_\_\_ of the Lessee, which is duly organized and existing under and by virtue of the Constitution and laws of the State of California, and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;
2. That, pursuant to Article III of the Trust Agreement, the Trustee is hereby requested to disburse from the Costs of Delivery Fund established under the Trust Agreement to the payees designated in Exhibit A attached hereto and by this reference incorporated herein, at the addresses set forth below each such payee name, the amounts set forth opposite such designations;
3. That each obligation set forth herein is a proper charge against the Costs of Delivery Fund and has not been the basis of any prior disbursement;
4. That the amount of each disbursement requested herein is for payment authorized under the Trust Agreement;
5. That the amount remaining in the Costs of Delivery Fund after payment of the amount set forth in this Requisition is adequate under Trust Agreement;
6. That no Event of Default, and no event which with notice or lapse of time would constitute an Event of Default, has occurred and is continuing under the Lease;
7. That set forth opposite each obligation in Exhibit A attached hereto is a description of the nature of such obligation; and

8. That accompanying this Requisition is a bill or statement of account for each obligation included in Exhibit A.

Dated: \_\_\_\_\_, 201\_

SANTA MONICA COMMUNITY COLLEGE  
DISTRICT, as Lessee

By: \_\_\_\_\_  
Authorized Signatory

RECEIPT ACKNOWLEDGED:

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT D**

**FORM OF CERTIFICATE OF PROVISION FOR LEASE PAYMENTS**

[DISTRICT LETTERHEAD]

The Bank of New York Mellon Trust Company, N.A., as Trustee  
400 South Hope Street, Suite 400  
Los Angeles, California 90071  
Attention: Deborah Young

In compliance with Section 10.2 of the Trust Agreement, dated as of December 1, 2013 (the "Trust Agreement"), by and among the Lessee, the Lessor and The Bank of New York Mellon Trust Company, N.A., as trustee, the Lessee does hereby certify that it has / has not (circle one) made adequate provisions in its proposed annual budget for Fiscal Year \_\_\_\_\_ - \_\_\_\_\_ for the payment of all Lease Payments (as defined in the Trust Agreement) due under the Lease in such Fiscal Year.

Dated: \_\_\_\_\_

SANTA MONICA COMMUNITY COLLEGE  
DISTRICT, as Lessee

By: \_\_\_\_\_  
Authorized Signatory



**EXHIBIT E**  
**FORM OF INVESTOR LETTER**

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

Hawkins Delafield & Wood LLP  
333 South Grand Avenue, Suite 3650  
Los Angeles, California 90071  
Attention: Nnanna F. Ogbu, Esq.

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This Assignment Agreement Relating to a Lease Agreement  
Is Recorded for the Benefit of a Public Agency and  
Is Exempt from Documentary Transfer Tax  
Pursuant to Government Code Section 27383

---

**ASSIGNMENT AGREEMENT**

by and between

**LOS ANGELES COUNTY SCHOOLS  
REGIONALIZED BUSINESS SERVICES CORPORATION,**  
as Lessor

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,**  
as Trustee

Dated as of December 1, 2013

relating to

**[\$Principal Amount]  
Certificates of Participation  
(Los Angeles County Schools Pooled Financing Program)  
2013 Refunding Series A  
(Santa Monica Community College District)**

---

## ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT, dated as of December 1, 2013 (this "Assignment Agreement"), by and between Los Angeles County Schools Regionalized Business Services Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessor (the "Corporation"), and The Bank of New York Mellon Trust Company, N.A., 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");

### W I T N E S S E T H:

WHEREAS, the Corporation and the Santa Monica Community College District, a community college district duly organized and existing under and by virtue of the laws of the State of California (the "Lessee"), have executed and entered into a Lease Agreement (the "Lease"), dated as of the date hereof, under which the Corporation has agreed to lease to the Lessee certain Leased Property as defined therein and described in Exhibit B thereto and described in Exhibit A attached hereto; and

WHEREAS, under and pursuant to the Lease, the Lessee is obligated to make Lease Payments, as defined therein, to the Corporation for the use and possession of the Leased Property; and

WHEREAS, the Corporation desires to assign without recourse all its rights to receive the Lease Payments scheduled to be paid by the Lessee under and pursuant to the Lease to the Trustee for the benefit of the owners of certain Certificates of Participation (Los Angeles County Schools Pooled Financing Program), 2013 Refunding Series A (Santa Monica Community College District) (the "Certificates") to be executed and delivered in accordance with the Trust Agreement, dated as of the date hereof (the "Trust Agreement") by and among the Lessee, the Corporation and the Trustee; and

WHEREAS, in consideration of such assignment and the execution and entering into the Trust Agreement, the Trustee has agreed to execute and deliver the Certificates in an aggregate amount equal to the principal amount of such Lease 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 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 parties hereto do hereby agree as follows:

SECTION 1. Definitions. Unless the context otherwise requires, all capitalized terms used in this Assignment Agreement which are not defined herein shall for all purposes of this Assignment Agreement have the meanings specified therefor in the Lease or the Trust Agreement.

SECTION 2. Assignment. The Corporation hereby transfers, assigns and sets over to the Trustee without recourse, for the benefit of the registered owners (the "Certificateholder") of the Certificates executed and delivered in accordance with the Trust Agreement, all of the Corporation's (A) rights under the Site Lease, and (B) right, title and interest (but none of its obligations) under the Lease (excepting only the Corporation's rights under Sections 7.4, 8.1 and 9.4 of the Lease, and its rights

to give approvals or consents thereunder), including, without limitation, (1) the right to receive and collect all of the Lease Payments, Additional Payments, Additional Lease Payments and Prepayments from the Lessee under the Lease, (2) the right to receive and collect any proceeds of any insurance maintained thereunder, of any condemnation award rendered with respect to the Leased Property, or of any lease or sale of the Leased Property in the event of a default by the Lessee under the Lease, (3) the right to exercise such rights and remedies conferred on the Corporation pursuant to the Lease as may be necessary or convenient (i) to enforce payment of the Lease Payments, Additional Payments, Additional Lease Payments, Prepayments and any other amounts required to be deposited to the credit of the Lessee in the Lease Payment Fund, the Prepayment Account or the Net Insurance and Condemnation Proceeds Fund established under the Trust Agreement or (ii) otherwise to protect the interests of the Corporation in the event of a default by the Lessee under the Lease, and (4) the right of the Corporation to receive rental in excess of Lease Payments as compensation for re-leasing the Leased Property upon the occurrence of events of default under the Lease, as provided in Article IX of the Lease. All rights assigned by the Corporation shall be administered by the Trustee as assignee thereof according to the provisions of the Trust Agreement and for the equal and proportionate benefits of the Certificateholder.

SECTION 3. Acceptance. The Trustee hereby accepts the foregoing assignment for the benefit of the Certificateholder, subject to the conditions and terms of the Trust Agreement, and all such Lease Payments, Additional Payments, Additional Lease Payments and Prepayments shall be applied and all such rights so assigned shall be exercised by the Trustee under and pursuant to the Trust Agreement. The Trustee does not warrant the statements contained in the recitals hereto.

SECTION 4. No Other Claims. The Corporation hereby represents and warrants that there are no present and outstanding claims on Lease Payments or any other moneys assigned by the Corporation to the Trustee hereunder.

SECTION 5. Conditions. This Assignment Agreement shall confer no rights and shall impose no obligations upon the Trustee beyond those expressly provided in the Trust Agreement.

SECTION 6. Counterparts. This Assignment Agreement may be executed in any numbers of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Assignment Agreement.

SECTION 7. Governing Law. This Assignment Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in such State.

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Assignment Agreement by their respective officers thereunto duly authorized as of the day and year first above written.

LOS ANGELES COUNTY SCHOOLS  
REGIONALIZED BUSINESS SERVICES  
CORPORATION

By: \_\_\_\_\_  
Authorized Officer

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Officer



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF LOS ANGELES )

On \_\_\_\_\_, before me, \_\_\_\_\_  
Date Name and Title of Officer (e.g. "Jane Doe, Notary Public")

Personally appeared \_\_\_\_\_  
Name of Signer(s)

who proved to me on the basis of satisfactory evidence to 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.

Place Notary Seal Above

\_\_\_\_\_  
Signature of Notary Public

**OPTIONAL**

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form to another document.

**Description of Attached Document**

Title of Type of Document: \_\_\_\_\_

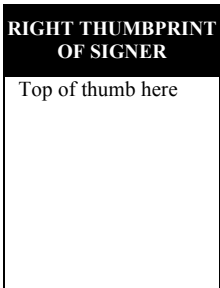
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Names Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

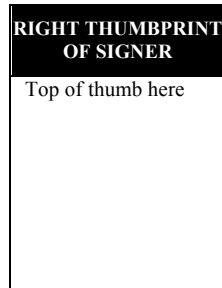
Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer - Title(s): \_\_\_\_\_
- Partner -  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_
- Signer is Representing: \_\_\_\_\_



Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer - Title(s): \_\_\_\_\_
- Partner -  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_
- Signer is Representing: \_\_\_\_\_



**EXHIBIT A**

**LEGAL DESCRIPTION OF LEASED PROPERTY**

LOTS 6, 7 AND 8 OF TRACT 25003, IN THE CITY OF SANTA MONICA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 816 PAGES 79 AND 80 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Assessor's Parcel Number: 4268-001-902 & 903



**DIRECT PLACEMENT AGREEMENT**

Dated \_\_\_\_\_, 2013

by and among

LOS ANGELES COUNTY REGIONALIZED BUSINESS SERVICES CORPORATION,  
SANTA MONICA COMMUNITY COLLEGE DISTRICT

and

RBC CAPITAL MARKETS, LLC, as Placement Agent

Relating to

\$ \_\_\_\_\_

Certificates of Participation (Los Angeles County Schools Pooled Financing Program)  
2013 Refunding Series A (Santa Monica Community College District)

TABLE OF CONTENTS

	Page
<b>Section 1. Appointment of Placement Agent</b> .....	2
<b>Section 2. Purchase of Certificates</b> .....	2
<b>Section 3. Fees and Expenses of Placement Agent</b> .....	2
<b>Section 4. Due Diligence Materials; Sophisticated Investors</b> .....	2
<b>Section 5. Representations and Warranties of the Lessor</b> .....	3
<b>Section 6. Representations and Warranties of the District</b> .....	3
<b>Section 7. Closing Documents</b> .....	4
<b>Section 8. Costs of Delivery</b> .....	5
<b>Section 9. Representations and Agreements to Survive</b> .....	6
<b>Section 10. Termination</b> .....	6
<b>Section 11. Governing Law</b> .....	6
<b>Section 12. Counterparts; Headings</b> .....	6
 EXECUTION .....	 6
 SCHEDULE I – MATURITY AND MANDATORY SINKING FUND SCHEDULE .....	 I-1
 SCHEDULE II – FORM OF INVESTOR LETTER.....	 II-1

## DIRECT PLACEMENT AGREEMENT

THIS DIRECT PLACEMENT AGREEMENT is dated \_\_\_\_\_, 2013 (this "Agreement"), by and among the LOS ANGELES REGIONALIZED BUSINESS SERVICES CORPORATION, a California nonprofit public benefit corporation (the "Lessor"), SANTA MONICA COMMUNITY COLLEGE DISTRICT, a community college district duly organized and existing under the laws of the State of California (the "District") and RBC CAPITAL MARKETS, LLC, as Placement Agent for the District (the "Placement Agent") in connection with the District's Certificates of Participation described on the cover page hereof (the "Certificates") with reference to the following facts:

WHEREAS, the District previously executed and delivered through the Lessor's pooled funding program \$11,140,000 aggregate principal amount of its Refunding Certificates of Participation, 2004 Series A (the "Prior Certificates"), of which \$7,965,000 presently remain outstanding and subject to prepayment (collectively, the "Refunded Certificates");

WHEREAS, the District has now determined that the conditions in the financial markets are advantageous for the current refunding of the Refunded Certificates and has asked the Lessor to enter into a Trust Agreement (the "Trust Agreement") with The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), providing for the execution of the Certificates on behalf of the District;

WHEREAS, the Certificates will represent undivided ownership interests in that certain Lease Agreement, by and between the Lessor and the District, dated as of December 1, 2013 (the "Lease Agreement"), providing for the lease of certain real property of the District that is the subject matter of that certain Site Lease, by and between the District and the Lessor, dated as of December 1, 2013 (the "Site Lease"); and

WHEREAS, the Lessor will assign its right to receive Lease Payments (as defined in the Lease Agreement) to the Trustee for the benefit of the registered owners of the Certificates (the "Owners"), pursuant to that certain Assignment Agreement, dated as of December 1, 2013, by and between the Lessor and the Trustee (the "Assignment Agreement"); and

WHEREAS, the District will effect the defeasance and prepayment of the Refunded Certificates under the terms of those certain Escrow Instructions, dated the date of delivery of the Certificates (the "Escrow Instructions," and, together with the Trust Agreement, the Lease Agreement, the Site Lease and the Assignment Agreement, the "Certificate Documents"), from the District to The Bank of New York Mellon Trust Company, N.A. (in such capacity, the "Escrow Agent")

WHEREAS, the District has requested that the Certificates be sold on a direct placement basis, and the District has determined it is in the best interests of the District to do so and to utilize the Placement Agent to facilitate such sale, pursuant to the terms of this Agreement;

NOW, THEREFORE, in consideration of the premises and of the commitments made hereunder and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**Section 1. Appointment of Placement Agent.** The District hereby appoints RBC Capital Markets, LLC as Placement Agent in connection with the proposed direct placement (the "Placement") of the Certificates. On the basis of the representations and warranties contained herein, but subject to the terms and conditions set forth herein, the Placement Agent agrees to use its reasonable efforts to solicit and receive one or more offers to purchase the Certificates. Notwithstanding anything to the contrary contained in this Agreement, the Placement Agent shall have no obligation to purchase any of the Certificates, or have any liability to the District if any prospective purchaser (collectively, the "Purchaser") fails to consummate a purchase of any of the Certificates. With the District's consent, the Placement Agent has conducted preliminary discussions with Capital One, N.A., respecting their purchase in whole of the Certificates. The District and the Lessor acknowledge and agree that: (i) the transaction contemplated by this Agreement is an arm's-length, commercial transaction among the District, the Lessor and the Placement Agent in which the Placement Agent is not acting as a municipal advisor, financial advisor or fiduciary to the District or the Lessor; (ii) the Placement Agent has not assumed any advisory or fiduciary responsibility to the District or the Lessor with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Placement Agent has provided other services or is currently providing other services to the District or the Lessor on other matters); (iii) the only obligations the Placement Agent has to the District and the Lessor with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (iv) the District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed it appropriate to do so.

**Section 2. Purchase of Certificates.** The Placement Agent shall use its reasonable efforts to market the Certificates to the Purchaser at a purchase price equal to the principal amount of the Certificates, in the principal amounts and maturities and representing interest at the rates as set forth in Schedule I to this Agreement. The net purchase price of the Certificates, following a deposit for payment of Costs of Delivery as described in Section 8 hereto, shall be delivered by the Purchaser by wire transfer to the Escrow Agent. Amounts on deposit under the Escrow Instructions shall be sufficient to cause the payment and prepayment of the Refunded Certificates through February 1, 2014, the scheduled prepayment date thereof.

**Section 3. Fees and Expenses of Placement Agent.** If the Purchaser does purchase the Certificates on \_\_\_\_\_, 2013 (the "Closing Date"), the District will pay or cause to be paid to the Placement Agent a placement fee (the "Placement Fee") of \$35,000 in connection with the placement of the Certificates. The Placement Fee shall be payable by the District in immediately available funds on the Closing Date. All other fees and expenses associated with the authorization, execution and delivery of the Certificates shall be borne by the District pursuant to Section 8 hereof. The Placement Agent shall have no obligation for the payment of any Costs of Delivery.

**Section 4. Due Diligence Materials; Sophisticated Investors.** No offering memorandum or official statement will be prepared in connection with the marketing and sale of

the Certificates. The District has made available to the Purchaser such financial, operating and other information through the course of due diligence by the Purchaser as the Purchaser has requested. The Purchaser will execute and deliver a form of Investor Letter, substantially in the form appended hereto as Schedule II, evidencing the status of the Purchaser as a “qualified institutional buyer” pursuant to Rule 144A of the Securities Act of 1933, as amended (the “Act”), and its ability to sustain the risk of investment in the Certificates.

**Section 5. Representations and Warranties of the Lessor.** The Lessor represents and warrants to the Placement Agent that:

(a) The Lessor is a nonprofit public benefit corporation, duly organized and existing under the Constitution and laws of the State of California, with the necessary power and authority to assist the District through the financing and refinancing of capital facilities and to enter into the Certificate Documents to which it is a party; and

(b) This Agreement has been duly authorized, executed and delivered by the Lessor.

**Section 6. Representations and Warranties of the District.** The District represents and warrants to the Placement Agent that:

(a) The District is a community college district, duly organized and existing under the Constitution and laws of the State of California, with the power to enter into the Certificate Documents to which it is a party;

(b) The District has duly adopted its resolution authorizing the execution and delivery of the Certificates (the “District Resolution”) and the execution of the Certificate Documents to which it is a party, and the District Resolution is in full force and effect as of the date hereof and will be in full force and effect as of the Closing Date;

(c) This Agreement has been duly authorized, executed and delivered by the District and will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, statute, indenture, mortgage, deed of trust, bond, note, resolution, agreement or other instrument to which the District is a party or by which the District is bound;

(d) The representations and warranties of the District contained in this Agreement will be true and correct as of the Closing Date; and

(e) The District will take all necessary steps to ensure that any offering and sale of the Certificates is exempt from the registration requirements of the Act and in compliance with all applicable state securities laws;

(f) The District is not in breach of or default under any applicable law or administrative regulation of the State of California (the “State”), any department, division, agency or instrumentality thereof, or of the United States or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default would materially and adversely

affect the District or its ability to perform its duties and obligations under the Certificate Documents to which it is a party; and the execution and delivery of this Agreement, the adoption of the District Resolution, the execution of the Certificate Documents to which it is a party and the execution and delivery of the Certificates and compliance with the provisions of each thereof will not conflict materially with or constitute a breach of or default under any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof or under any certificate, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default would materially and adversely affect the District, the Certificate Documents or the District's ability to perform its duties and obligations under the Certificate Documents;

(g) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction that would constitute a condition precedent to the performance by the District of its obligations hereunder and under the Certificate Documents and the Certificates have been, or prior to the Closing Date will have been, obtained;

(h) No litigation is pending, or, to the knowledge of the District, threatened in any court in any way affecting the existence of the District or the title of the members of the Board of Trustees of the District (the "District Board") to their respective offices or seeking to restrain or to enjoin the execution and delivery of the Certificates or the collection of Lease Payments under the Certificate Documents or in any way contesting or affecting the validity or enforceability of the Certificates, the District Resolution, the Certificate Documents or this Agreement, or contesting the powers of the District or the members of the District Board with respect to the within-described transaction; and

(i) The District has extended and will extend to the prospective Purchaser the opportunity, prior to the Closing Date, to ask questions of, and receive answers from, the District concerning financial, accounting, tax and other information regarding the District, the use of the proceeds of sale of the Certificates, the project to be refinanced with the proceeds of sale of the Certificates, as well as the structure and terms of the Certificates, and has provided the Purchaser the opportunity to obtain any other information that the Purchase may consider necessary in making an informed investment decision, to the extent the District possesses the same or can acquire it without unreasonable effort or expense.

**Section 7. Closing Documents.** On the Closing Date, the Placement Agent shall receive:

(a) A copy of the District Resolution authorizing the execution and delivery of the Certificates, together with a certification by the Clerk or Secretary of the District Board to the effect that the District Resolution was duly adopted at a meeting of the District Board which was called and held pursuant to law and with all public notice required by law, and at which a quorum was present and acting throughout, and that the District Resolution has not been modified, amended, rescinded or revoked and is in full force and effect;

(b) A copy of the resolution (the "Lessor Resolution") of the Lessor authorizing the execution and delivery, *inter alia*, of the Certificates and the Certificate Documents, together with a certification by the Clerk or Secretary of the Board of Directors of

the Lessor (the “Lessor Board”) to the effect that the Lessor Resolution was duly adopted at a meeting of the Lessor Board which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and that the Lessor Resolution has not been modified, amended, rescinded or revoked and is in full force and effect on the date hereof;

(c) Copies of the Certificate Documents, duly executed by the District, the Lessor and the Trustee, as applicable;

(d) An opinion of Hawkins Delafield & Wood LLC, as Special Counsel to the District (“Special Counsel”), dated the Closing Date, concerning the validity and tax-exempt status of the Certificates;

(e) A supplemental opinion or opinions of Special Counsel addressed to the Placement Agent, in form and substance acceptable to the Placement Agent, and dated the Closing Date, stating that the Placement Agent may rely on the opinion of Special Counsel described in paragraph (d) above as if such opinion were addressed to the Placement Agent and to the effect that the Certificates are not subject to the registration requirements of the Act, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(f) A defeasance opinion from Special Counsel, respecting the Refunded Certificates;

(g) A Tax Exemption certificate of the District respecting the Certificates;

(h) A certificate of the District certifying that the District’s representations and warranties contained herein are true and correct as of the Closing Date;

(i) A certificate of the Lessor certifying that the Lessor’s representations and warranties contained herein are true and correct as of the Closing Date;

(j) An Investor Letter from the Purchaser substantially in the form of Schedule II attached hereto; and

(k) Copies of any other documents delivered to at such closing in connection with the execution and delivery of the Certificates, and such other documents as the Placement Agent may reasonably request from the District and the Lessor in form satisfactory to the Placement Agent.

**Section 8. Costs of Delivery.** The District shall pay or cause to be paid by the Trustee the Costs of Delivery of the Certificates, including: (i) the fees and disbursements of Special Counsel, the Placement Agent, counsel to the Placement Agent, the Escrow Agent and the Trustee; (ii) the cost of preparation, printing and delivery of the Certificates; (iii) all other fees and expenses incident to the execution, delivery and sale of the Certificates. The Purchaser shall be responsible for the payment of the statutory fee of the California Debt and Investment Advisory Committee, if any.

**Section 9. Representations and Agreements to Survive.** The respective representations and warranties set forth herein will remain in full force and effect regardless of any investigation made by or on behalf of the Placement Agent, the Purchaser or the District or any of their respective officers, directors or controlling persons, and will survive delivery of any payment for the Certificates. The provisions of this Section and Sections 3, 5, 6 and 8 hereof shall survive the termination or cancellation of this Agreement.

**Section 10. Termination.** The Placement Agent's services hereunder may be terminated with or without cause by either the District or the Placement Agent at any time and without liability or continuing obligation to the Placement Agent or the District, except for the Placement Agent's right to fees pursuant to this Agreement for any placement of any securities. Subject to Section 9 hereof, this Agreement shall terminate after the Certificates are delivered to the Purchaser on the Closing Date.

**Section 11. Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of California applicable to contracts made and performed in such State.

**Section 12. Counterparts; Headings.** This Agreement may be signed in counterparts with the same effect as if the signatures thereto were on the same instrument. The headings of the Sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.



IN WITNESS WHEREOF, the District, the Lessor and the Placement Agent have caused this Direct Placement Agreement to be executed in their respective names as of the date first above written.

**SANTA MONICA COMMUNITY COLLEGE  
DISTRICT**

By: \_\_\_\_\_

**LOS ANGELES COUNTY REGIONALIZED  
BUSINESS SERVICES CORPORATION**

By: \_\_\_\_\_

**RBC CAPITAL MARKETS, LLC,  
as Placement Agent**

By: \_\_\_\_\_  
Managing Director

ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2013

**SCHEDULE I**

**MATURITY AND MANDATORY SINKING FUND SCHEDULE**

\$ \_\_\_\_\_ % Term Certificates due \_\_\_\_\_ 1, 20\_\_ ; Price \_\_\_%

Mandatory Sinking Fund  
Prepayment Date  
( \_\_\_\_\_ )  
\_\_\_\_\_

Mandatory Sinking  
Fund Payments  
\_\_\_\_\_

**SCHEDULE II**  
**FORM OF INVESTOR LETTER**  
**[LETTERHEAD OF PURCHASER]**

[Date of Purchase]

Santa Monica Community College District  
1900 West Pico Boulevard  
Santa Monica, California 90405

RBC Capital Markets, LLC, as Placement Agent to the District  
777 South Figueroa Street, Suite 850  
Los Angeles, California 90017

Re: Certificates of Participation (Los Angeles County Schools Pooled Financing Program),  
2013 Refunding Series A (Santa Monica Community College District)

Ladies and Gentlemen:

Santa Monica Community College District (the “District”) has caused the execution and delivery of the above-referenced certificates of participation (the “Certificates”) through the pooled financing program of the Los Angeles County Regionalized Business Services Corporation, a California nonprofit public benefit corporation (the “Lessor”). Capitalized terms used in this letter but not defined have the meanings given them in the Trust Agreement, dated as of December 1, 2013, by and among the District, the Lessor and The Bank of New York Mellon Trust Company, N.A. (the “Trust Agreement”), relating to the Certificates. In connection with our purchase on the date hereof of \$\_\_\_\_\_ aggregate principal amount of the Certificates, the undersigned (the “Purchaser”) hereby represents, warrants and agrees as follows:

(a) The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the Certificates, that it may need to bear the risks of this investment for an indefinite time, since any assignment, sale or other disposition of its interests in the Site Lease, Lease Agreement and Assignment Agreement prior to the dates of termination thereof may not be possible, to be capable of evaluating the merits and risks of an investment in the Certificates, and the Purchaser is able to bear the economic risks of such an investment.

(b) The Purchaser is purchasing the Certificates for not more than one account for investment purposes and not with a view to distributing the Certificates;

(c) The Purchaser recognizes that an investment in the Certificates involves significant risks, that there is no established market for the Certificates and that none is likely to develop and, accordingly, that the Purchaser must bear the economic risk of an investment in the Certificates for an indefinite period of time.

(d) The Purchaser (i) has conducted its own independent inquiry, examination and analysis with respect to the District and the Certificates, (ii) has had an opportunity to ask questions of and receive answers from RBC Capital Markets, LLC (the “Placement Agent”) regarding the District, the Certificates (including the security therefor) and the matters, transactions and documents relating to the foregoing, (iii) has been provided with all information regarding the District, the Certificates (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested (the “Disclosure Information”), and (iv) the Purchaser has been provided with information sufficient to allow the Purchaser to make an informed decision to purchase the Certificates. The Purchaser understands that the Lessor is not obligated for the payment of Lease Payments that constitute the primary security for the Certificates and that only the general fund of the District may be held liable therefor.

(e) The Purchaser (i) is not relying upon the District or the Lessor, or any of their respective affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the Certificates, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(f) The Purchaser acknowledges that the obligation of the District to make Lease Payments under the Lease Agreement: (i) are obligations payable solely from the revenues and funds provided for under the Lease Agreement, subject to rental abatement, (ii) does not constitute an obligation of the District for which the District is obligated to levy or pledge any form or taxation or for which the District has levied or pledged any form of taxation, and (iii) does not constitute an indebtedness of the District, the State of California or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restrictions. The Lessor shall not be directly or indirectly or contingently or morally obligated to use any moneys or assets of the Lessors for any or all of the Lease Payments.

(g) The Purchaser is fully authorized by its corporate charter, by-laws, internal rules and regulations and all relevant governing laws, rules and regulations to purchase the Certificates.

(h) To the extent that Purchaser has received the Disclosure Information or any other information relating to the Certificates or the District, Purchaser acknowledges that no representation or warranty, express or implied, is made by the Placement Agent as to the accuracy or completeness of the information contained therein, and nothing contained therein is or shall be relied upon as a promise or representation by the Placement Agent.

(i) The Purchaser has made its investment decision (including as to the suitability of the Certificates) based upon its own judgment and upon any advice from such advisors (including accounting, tax and legal counsel) as it has deemed necessary, and not in reliance upon any view expressed by the Placement Agent.

(j) The Placement Agent is not acting as a fiduciary or an advisor for Purchaser, and all decisions (including the decision to purchase the Certificates) have been the result of arms’ length negotiations between the Placement Agent and the Purchaser.

(k) The Purchaser acknowledges that it is not entitled to rely on any investigation that the Placement Agent may have conducted with respect to the Certificates or the District, and that the Placement Agent have not made any representation to the Purchaser, express or implied, with respect thereto or given the Purchaser any assurance or guarantee as to the expected performance of the Certificates.

(l) The Purchaser understands and acknowledges (i) that the offering of the Certificates is not subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, and (ii) that the District has not prepared or caused to be prepared, and is not delivering, an official statement or other disclosure document with respect to the Certificates and has not undertaken to provide to or for the benefit of holders of the Certificates financial or operating data or any other information with respect to the District or the Certificates on an ongoing basis.

(m) The Purchaser hereby certifies that the foregoing representations and warranties of the Purchaser are true and correct as of the date hereof.

(n) The Purchaser is able to bear the economic risk of the investment represented by its purchase of the Certificates.

(o) In the event that the Purchaser wishes to sell the Certificates in the future, the Purchaser agrees and acknowledges that the Certificates cannot be sold without complying with transfer restrictions set forth in the Trust Agreement, including but not limited to providing for execution and delivery by the proposed transferee of a letter in substantially the form of this letter, and the Purchaser hereby agrees to assume the responsibility for disclosure of all material information that may be necessary to comply with all federal and related state securities laws.

(p) Neither Hawkins Delafield & Wood LLP, special counsel to the District, nor the Lessor, nor any of their respective members, governing bodies or any of their employees, counsel or agents, will have any responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the District or its financial condition or regarding the Certificates, the provisions for payment in connection therewith, or the sufficiency of any security therefor. No written information has been provided by the Lessor to the Purchaser with respect to the refunding described herein. The Purchaser acknowledges that, as between the Purchaser and all of such parties, the Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the Certificates.

[Purchaser]

By: \_\_\_\_\_  
Name:  
Title:

## ESCROW INSTRUCTIONS

These Escrow Instructions dated as of December 1, 2013 (the “Escrow Instructions”) delivered by Santa Monica Community College District, a community college district duly organized and existing under the laws of the State of California (the “District”), to The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company, a national banking association duly organized and validly existing under and by virtue of the laws of the United States, as trustee (the “2004 Trustee”) under the Trust Agreement, dated as of August 1, 2004 (the “2004 Trust Agreement”), by and among the District, the Los Angeles County Schools Regionalized Business Services Corporation (the “Corporation”) and the 2004 Trustee.

### WITNESSETH:

WHEREAS, the District has heretofore caused there to be executed and delivered \$11,140,000 of Refunding Certificates of Participation, 2004 Series A attributable to the District (the “Prior Certificates”) which are currently outstanding in the aggregate principal amount of \$7,965,000; and

WHEREAS, the Certificates of Participation (Los Angeles County Schools Pooled Financing Program), 2013 Refunding Series A(Santa Monica Community College District) (the “Certificates”) are being executed and delivered pursuant to the Trust Agreement, dated as of December 1, 2013 (the “2013 Trust Agreement”), by and among, the District, the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee thereunder (the “2013 Trustee”); and

WHEREAS, the 2013 Trust Agreement provides that a portion of the proceeds from the sale of the Certificates received by the District in the amount of \$\_\_\_\_\_ shall be transferred to the 2004 Trustee and placed in escrow in accordance with these Escrow Instructions and pursuant to the 2004 Trust Agreement for the purpose of providing funds necessary to pay the Prior Certificates on the prepayment date of February 1, 2014 (the “Prepayment Date”); and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

Section 1. The 2004 Trustee is hereby irrevocably directed to deposit to the Santa Monica Community College District 2004 Prepayment Fund established under the 2004 Trust Agreement (the “2004 Prepayment Fund”) the amount of \$2,918,062.50, consisting of a portion of the net proceeds of the Certificates. The 2004 Trustee is hereby irrevocably directed to transfer to the 2004 Prepayment Fund the amount of \$\_\_\_\_\_ on deposit in the Reserve Fund established pursuant to the 2004 Trust Agreement. The moneys deposited with the 2004 Trustee pursuant to this Section 1 shall be applied solely as provided in these Escrow Instructions.

Section 2. The 2004 Trustee hereby acknowledges receipt of the moneys described in this Section 1 hereof with respect to the Prior Certificates and agrees to immediately hold such amount as uninvested cash in the 2004 Prepayment Fund. The 2004 Trustee hereby acknowledges receipt of the moneys set forth in this Section 1 hereof for deposit in the 2004 Prepayment Fund as described herein.

Section 3. The District shall provide to the 2004 Trustee certification by a nationally recognized firm of independent certified public accountants that the amounts deposited in the 2004 Prepayment Fund shall be sufficient to make all payments required by these Escrow Instructions.

Section 4. (a) From the funds on deposit in the Prepayment Fund, the 2004 Trustee shall pay the Prior Certificates on the Prepayment Date at the prepayment price of 100% of the Principal

Component of Lease Payments to be prepaid, plus accrued interest with respect to such unpaid Principal Components of Lease Payments to the Prepayment Date.

(b) Any additional funds not required for the payment of principal, interest and prepayment premium, if any, with respect to the Prior Certificates on deposit to the credit of the District under the Trust Agreement or scheduled to be credited or to accrue to the District under the Trust Agreement, shall be transferred to the 2013 Trustee for deposit into the Lease Payment Fund for the District established under the 2013 Trust Agreement.

Section 5. Receipt is hereby acknowledged by the 2004 Trustee of copies of the 2004 Trust Agreement and the Lease Agreement, dated as of August 1, 2004 (the "2004 Lease"), by and between the Corporation and the District. Reference herein to, or citation herein of, any provision of the 2004 Trust Agreement and the 2004 Lease shall be deemed to be incorporated as a part hereof in the same manner and with the same effect as if it were fully set forth herein.

Section 6. The deposit by the District and the 2004 Trustee of the moneys into the 2004 Prepayment Fund with respect to the Prior Certificates shall constitute an irrevocable deposit thereof for the uses and purposes specified in these Escrow Instructions and in the provisions of the Lease Agreement and the Trust Agreement expressly referred to herein, and such moneys shall be held in trust and applied solely for such uses and purposes. Such moneys shall be held by the 2004 Trustee separate and apart from all other funds and shall not be commingled with other moneys for any purpose.

Section 7. The liability of the 2004 Trustee for the payment of the principal and interest with respect to the Prior Certificates shall be limited to the cash on deposit in the Series 2004 Prepayment Fund.

Section 8. If at any time it shall appear to the 2004 Trustee that the amounts on deposit in the 2004 Prepayment Fund will not be sufficient to make all payments required under Section 3 hereof, the 2004 Trustee shall give notice thereof to the District and the Corporation of the amount of such deficiency and the District agrees to pay the amount of such deficiency into the 2004 Prepayment Fund. The 2004 Trustee and the Corporation shall not be responsible for such deficiency. Any moneys held by the 2004 Trustee in trust for the payment and discharge of the principal and interest with respect to any of the Prior Certificates which remain unclaimed for 18 months after the date when such payments have become due and payable (during which time the 2004 Trustee shall hold such moneys without liability for interest), shall, after payment of all outstanding fees and expenses of the 2004 Trustee, be paid to the District and the 2004 Trustee shall thereupon be released and discharged with respect thereto and the owners of Prior Certificates shall look only to the District for the payment of the principal and interest with respect to the Prior Certificates.

Section 9. The District agrees to pay and shall pay to the 2004 Trustee as compensation in full for all services to be rendered by the 2004 Trustee under these Escrow Instructions the amounts set forth in a separate schedule of fees and expenses (including without limitation legal fees and expenses), as modified from time to time as agreed upon by the parties hereto. Any payment to the 2004 Trustee pursuant to this Section shall be made from any moneys of the District lawfully available therefor, but the 2004 Trustee shall have no lien whatsoever upon any of the funds in the 2004 Prepayment Fund for any such payment.

To the extent authorized by law, the District hereby assumes liability for and hereby agrees to indemnify, protect, save and keep harmless the 2004 Trustee and its respective successors, assigns, officers, directors, employees, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements

(including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the District or the 2004 Trustee (whether or not also indemnified against by any person under any other contract or instrument) and in any way relating to or arising out of the execution and delivery of these Escrow Instructions, the acceptance and performance of the duties and obligations of the 2004 Trustee hereunder, the establishment of the 2004 Prepayment Fund, the acceptance of the moneys deposited in such fund, the retention of such moneys or the proceeds thereof and any payment, transfer or other application of moneys by the 2004 Trustee in accordance with the provisions of these Escrow Instructions, *provided*, that the District shall not be required to indemnify, protect, save and keep harmless the 2004 Trustee against its own negligence or willful misconduct. In no event shall the District be liable to any person by reason of the transactions contemplated hereby other than to the 2004 Trustee as set forth in this Section. The indemnities contained in this paragraph shall survive the termination of these Escrow Instructions and the earlier removal or resignation of the 2004 Trustee.

Section 10. The 2004 Trustee agrees to maintain books and records for the 2004 Prepayment Fund and to account separately for deposits therein, investments thereof, earnings thereon and losses, if any, with respect thereto. The 2004 Trustee shall only act in accordance with the specific provisions set forth herein and shall not assume any implied duties or obligations hereunder.

The 2004 Trustee shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under these Escrow Instructions unless the District shall have deposited sufficient funds therefor with the 2004 Trustee. The 2004 Trustee may rely and shall be protected in acting upon the written or oral instructions of authorized representatives of the District or of the District's agents relating to any matter or action as 2004 Trustee under these Escrow Instructions.

The 2004 Trustee shall not be liable for any loss resulting from any investment, sale, transfer, prepayment, substitution or other disposition made pursuant to these Escrow Instructions in compliance with the provisions hereof or the sufficiency of the amounts or any uninvested moneys held hereunder to accomplish the discharge of the Prior Certificates. The 2004 Trustee shall not have any lien whatsoever upon any of the moneys deposited in accordance with these Escrow Instructions for the payments of fees and expenses for services by it under these Escrow Instructions until after all payments required pursuant hereto in accordance herewith. The recitals of fact contained in the "WHEREAS" clauses herein shall be taken as the statements of the District, and the 2004 Trustee assumes no responsibility for the correctness thereof. The 2004 Trustee makes no representations as to the sufficiency of the funds and any uninvested moneys to accomplish the prepayment of the Prior Certificates or to the validity of these Escrow Instructions as to the District and, except as otherwise provided herein, the 2004 Trustee shall incur no liability in respect thereof. The 2004 Trustee shall not be liable in connection with the performance of its duties under these Escrow Instructions except for its own negligence, willful misconduct or default, and the duties and obligations of the 2004 Trustee shall be determined by the express provisions of these Escrow Instructions. The 2004 Trustee may consult with counsel, who may or may not be counsel to the District or the Corporation, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the 2004 Trustee shall deem it necessary or desirable that a matter be provided or established prior to taking, suffering, or omitting any action under these Escrow Instructions, such matter may be deemed to be conclusively established by a written certification of the District. No provision of these Escrow Instructions shall require the 2004 Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.



The 2004 Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The 2004 Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The 2004 Trustee may at any time resign under these Escrow Instructions by giving thirty (30) days' written notice of resignation to the District. Upon receiving such notice of resignation, the District shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning 2004 Trustee from its obligations hereunder by written instrument, a copy of such instrument shall be delivered to each of the District and the successor trustee hereunder. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning 2004 Trustee may petition any court of competent jurisdiction for the appointment of a successor.

Any bank, corporation or association into which the 2004 Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the 2004 Trustee shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the 2004 Trustee shall be the successor of the 2004 Trustee hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

The 2004 Trustee agrees to accept and act upon instructions or directions pursuant to these Escrow Instructions sent by unsecured electronic mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the 2004 Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the District elects to give the 2004 Trustee electronic mail or facsimile instructions (or instructions by a similar electronic method) and the 2004 Trustee in its discretion elects to act upon such instructions, the 2004 Trustee's understanding of such instructions shall be deemed controlling. The 2004 Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the 2004 Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the 2004 Trustee, including without limitation the risk of the 2004 Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The 2004 Trustee is hereby directed to mail on behalf of the District the notice of prepayment (the "Prepayment Notice") in substantially the form set forth in Schedule A hereto for the Prior Certificates, as provided in Section 4.6 of the Series 2004 Trust Agreement, prior to the Prepayment Date to registered owners of the Prior Certificates, being Cede & Co., as nominee of The Depository Trust Company and posted the Prepayment Notice to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.

Section 11. Except as provided in Sections 2, 3 and 4 hereof, the 2004 Trustee shall have no power or duty to invest any funds held under these Escrow Instructions or to sell, transfer or otherwise dispose of the moneys held in the Series 2004 Prepayment Fund.

Section 12. These Escrow Instructions shall terminate upon the satisfaction of all obligations of the 2004 Trustee hereunder.

Section 13. If any one or more of the covenants or agreements provided in these Escrow Instructions on the part of the parties hereto to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of these Escrow Instructions.

Section 14. These Escrow Instructions may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original and shall constitute and be but one and the same instrument.

Section 15. These Escrow Instructions shall be governed by the applicable laws of the State of California.

Section 16. All notices, demands and formal actions under these Escrow Instructions shall be in writing and mailed, telegraphed or delivered to:

The District: Santa Monica Community College District  
1900 Pico Boulevard Santa Monica, California 90405  
Attention: Mr. Robert Isomoto, Vice President,  
Business/Administration

The Corporation: Los Angeles County Schools  
Regionalized Business Services Corporation  
9300 East Imperial Highway  
Downey, California 90242-2890  
Attention: Executive Director

If to the 2004 Trustee: The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, Suite 400  
Los Angeles, California 90071  
Attention: Deborah Young  
Reference: Certificates of Participation (Los Angeles County  
Schools Pooled Financing Program) 2006 Series A

Section 17. These Escrow Instructions may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the owners of one hundred percent (100%) in aggregate principal amount of the Prior Certificates then unpaid as to principal shall have been filed with the 2004 Trustee. These Escrow Instructions may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only: (i) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the District; (ii) to cure, correct or supplement any ambiguous or defective provision contained herein; or (iii) in regard to questions arising hereunder as the parties hereto or thereto may deem necessary or desirable and which, in the written opinion of counsel, shall not materially adversely affect the interest of the owners of the Prior Certificates, and that such amendment will not, in the written opinion of counsel, cause interest with respect to the Prior Certificates to become subject to inclusion in gross income for purposes of federal income taxation.

Section 18. Capitalized terms used but not defined herein shall have the meanings established for purposes of the 2004 Trust Agreement unless otherwise specified.

IN WITNESS WHEREOF, the District has delivered these Escrow Instructions to the 2004 Trustee, and the 2004 Trustee has acknowledged receipt of the same and acceptance of its duties hereunder as of the date first above written.

SANTA MONICA COMMUNITY  
COLLEGE DISTRICT

By: \_\_\_\_\_  
Authorized Officer

Acknowledged and Accepted by:

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as 2004 Trustee

By: \_\_\_\_\_  
Authorized Officer

**SCHEDULE A**

**Notice of Prepayment**