

## TRUST AGREEMENT

This TRUST AGREEMENT (this "Trust Agreement"), dated as of April 1, 2013, is between the LAMMERSVILLE SCHOOLS FINANCE AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California, (the "Authority"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee hereunder (the "Trustee").

### *BACKGROUND:*

1. The Authority has been formed under a Joint Exercise of Powers Agreement dated as of February 22, 2013, between the California Municipal Finance Authority and the Lammersville Joint Unified School District (the "District") and is authorized thereunder to finance the acquisition and construction of property for the educational purposes of the District.

2. The District is proceeding to finance the acquisition, construction and improvement of a new high school facility that it expects to name Mountain House High School (the "Project").

3. In order to provide financing for the Project, the District has leased certain existing property of the District, consisting generally of the Bethany Elementary School and the Questa Elementary School (the "Leased Property"), to the Authority under a Site Lease dated as of April 1, 2013 (the "Site Lease") in consideration of the payment by the Authority to the District of an upfront rental payment (the "Site Lease Payment") which is sufficient to enable the District to finance the Project.

4. In order to raise the funds needed to make the Site Lease Payment, the Authority has authorized the issuance of its Lammersville Schools Finance Authority 2013 Lease Revenue Notes (Mountain House High School Project) (the "Notes") under this Trust Agreement.

5. The Notes, and any bonds, notes or other obligations issued by the District to refund the Notes, will be secured by revenues consisting primarily of lease payments to be made by the District under a Lease Agreement dated as of April 1, 2013 (the "Lease Agreement"), between the Authority as lessor and the District as lessee.

### *AGREEMENT:*

In consideration of the foregoing and the material covenants hereinafter contained, the Authority and the Trustee formally covenant, agree and bind themselves as follows:

# ARTICLE I

## DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. *Definitions.* The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Trust Agreement, have the meanings given them below, unless the context clearly requires some other meaning. All terms defined in Section 1.1 of the Lease Agreement and not otherwise defined herein shall have the respective meanings given those terms in Section 1.1 of the Lease Agreement.

“Assignment Agreement” means the Assignment Agreement dated as of April 1, 2013, between the Authority as assignor and the Trustee as assignee, as originally executed or as thereafter amended.

“Authority” means the Lammersville Schools Finance Authority, a joint powers authority duly organized and existing under the laws of the State of California, and any successor thereto.

“Authorized Representative” means: (a) with respect to the Authority, its Executive Director, its Treasurer or any other person designated as an Authorized Representative of the Authority by a Written Certificate of the Authority signed by its Treasurer and filed with the District and the Trustee; and (b) with respect to the District, its Superintendent, its Director of Business Services or any other person designated as an Authorized Representative of the District by a Written Certificate of the District signed by its Superintendent or its Director of Business Services and filed with the Authority and the Trustee.

“Bond Counsel” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

“Bond Law” means the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code, as in effect on the Closing Date or as thereafter amended in accordance with its terms.

“Business Day” means a day (other than a Saturday or a Sunday) on which banks are not required or authorized to remain closed in the District and in which the Office of the Trustee is located.

“Closing Date” means April \_\_, 2013, being the date of delivery of the Notes to the Original Purchaser.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District relating to the authorization, issuance, sale and delivery of the Notes.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee under Section 3.03.

“Depository” means (a) initially, DTC, and (b) any other Securities Depositories acting as Depository under Section 2.05.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“District” means the Lammersville Joint Unified School District, a joint unified school district duly organized and existing under the Constitution and laws of the State of California, and any successor thereto.

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

“Event of Default” means any of the events specified in Section 6.01.

“Excess Investment Earnings” means an amount required to be rebated to the United States of America under Section 148(f) of the Tax Code due to investment of gross proceeds of the Notes at a yield in excess of the yield on the Notes.

“Federal Securities” means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

“Independent Accountant” means any certified public accountant or firm of certified public accountants appointed and paid by the Authority or the District, and who, or each of whom (a) is in fact independent and not under domination of the Authority or the District; (b) does not have any substantial interest, direct or indirect, in the Authority or the District; and (c) is not connected with the Authority or the District as an officer or employee of the Authority or the District but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the District.

“Interest Payment Date” means April 1 and October 1, commencing October 1, 2013.

“Lease” means the Lease Agreement dated as of April 1, 2013, between the Authority as lessor and the District as lessee, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of this Trust Agreement.

“Nominee” means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated under Section 2.05(a).

“Note Repayment Fund” means the fund by that name established and held by the Trustee under Section 4.02.

“Notes” means the \$\_\_\_\_\_ aggregate principal amount of Lammersville Schools Finance Authority 2013 Lease Revenue Notes (Mountain House High School Project), authorized by and at any time Outstanding under this Trust Agreement.

“Office” means the corporate trust office of the Trustee set forth in Section 10.08, or such other or additional offices as the Trustee may designate in writing to the Authority from time to time as the corporate trust office for purposes of the Trust Agreement; except that with respect to presentation of Notes for payment or for registration of transfer and exchange such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated, as original purchaser of the Notes upon their delivery by the Trustee on the Closing Date.

“Outstanding”, when used as of any particular time with reference to the Notes, means all Notes theretofore, or thereupon being, authenticated and delivered by the Trustee under this Trust Agreement except: (a) Notes theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Notes with respect to which all liability of the Authority has been discharged in accordance with Article IX; and (c) Notes for the transfer or exchange of or in lieu of or in substitution for which other Notes shall have been authenticated and delivered by the Trustee under this Trust Agreement.

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

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

- (a) Federal Securities;
- (b) obligations of any federal agency which represent full faith and credit of the United States of America, or which are otherwise rated “AAA” by S&P;
- (c) U.S. dollar denominated deposit accounts federal funds and banker’s acceptances with domestic commercial banks, which may include the Trustee, its parent holding company, if any, and their affiliates, which have a rating on their short term certificates of deposit on the date of purchase of “A” or better by S&P, maturing no more than 360 days after the date of purchase, provided that ratings on holding companies are not considered as the rating of the bank;
- (d) commercial paper which is rated at the time of purchase in the single highest classification, “A” or better by S&P, and which matures not more than 270 calendar days after the date of purchase;
- (e) investments in a money market fund, including those of an affiliate of the Trustee, rated in the highest short-term rating category by

S&P, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services;

- (f) investment agreements with financial institutions whose long-term general credit rating is A or better from S&P at the time of delivery, by the terms of which the Trustee may withdraw funds if such rating falls below "A"; and
- (g) the Local Agency Investment Fund of the State of California, created under Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

"Project" means the undertaking by the District to acquire, construct, furnish and equip a high school facility, including utilities, landscaping, equipment, and other incidental and related facilities and improvements whether situated at such location or elsewhere.

"Project Costs" means, with respect to the Project, all costs of the acquisition, construction and installation thereof which are paid from moneys on deposit in the Project Fund, including but not limited to:

- (a) all costs required to be paid to any person under the terms of any agreement for the purchase of the Project or otherwise relating to the acquisition, construction and installation of the Project;
- (b) obligations incurred for labor and materials in connection with the acquisition, construction and installation of the Project;
- (c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the acquisition, construction and installation of the Project;
- (d) preliminary costs of the Project, including but not limited to design, environmental, engineering and architectural services, costs for testing, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees and costs for supervising construction, as well as for the performance of all other duties required by or consequent to the proper acquisition, construction and installation of the Project;
- (e) costs of equipping and furnishing the Project, and costs of taking occupancy of the Project;
- (f) any sums required to reimburse the District for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the acquisition, construction and installation of the Project;

- (g) all financing costs incurred in connection with the acquisition, construction and installation of the Project; and
- (h) the Lease Payments coming due during the period of construction of the Project and for not more than six months thereafter.

“Project Fund” means the fund by that name established and held by the Trustee under Section 3.04.

“Record Date” means, with respect to date on which interest is payable on the Notes, the 15<sup>th</sup> calendar day of the month preceding such date, whether or not such day is a Business Day.

“Refunding Obligations” means (a) the bonds, notes or other obligations issued by the Authority for the purpose of refunding the Notes on or before the maturity thereof, and (b) any and all other bonds, notes or other obligations issued by the Authority to refund any prior issue of Refunding Obligations.

“Registration Books” means the records maintained by the Trustee under Section 2.06 for the registration and transfer of ownership of the Notes.

“Revenues” means: (a) all amounts received by the Authority or the Trustee under or with respect to the Lease, including, without limiting the generality of the foregoing, all of the Lease Payments (including both timely and delinquent payments, any late charges, and whether paid from any source); and (b) all interest, profits or other income derived from the investment of amounts in any fund or account established under this Trust Agreement.

“Securities Depositories” means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the Authority designates in written notice filed with the Trustee.

“Site Lease” means the Site Lease dated as of April 1, 2013, between the District as lessor and the Authority as lessee, as amended from time to time in accordance with its terms.

“S&P” means Standard & Poor’s, a division of the McGraw Hill Companies, of New York, New York, its successors and assigns.

“Supplemental Agreement” means any agreement hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending this Trust Agreement; but only if and to the extent that such Supplemental Agreement is specifically authorized hereunder.

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

“Trust Agreement” means this Trust Agreement, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Agreement under the provisions hereof.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., as Trustee hereunder, or any successor thereto appointed as Trustee hereunder in accordance with the provisions of Article VII.

“Written Certificate” and “Written Request” and “Written Requisition” of the Authority or the District mean, respectively, a written certificate, request or requisition signed in the name of the Authority or the District by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

SECTION 1.02. *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 hereof by the officers and persons signing it.

SECTION 1.03. *Interpretation.*

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

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

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

## **ARTICLE II**

### **THE NOTES**

SECTION 2.01. *Authorization of Notes.* The Authority has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Notes do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now duly empowered, under each and every requirement of law, to issue the Notes in the manner and form provided in this Trust Agreement.

The Authority hereby authorizes the issuance of the Notes in the aggregate principal amount of \$\_\_\_\_\_ for the purposes of providing funds to pay the Site Lease Payment to the District and thereby provide funds to finance the Project. The Notes are authorized and issued under, and are subject to the terms of, this Trust Agreement and the Bond Law. The Notes are designated the "Lammersville Schools Finance Authority 2013 Lease Revenue Notes (Mountain House High School Project)." The Notes shall be issued in the form of the Notes attached as Appendix A in the aggregate principal amount of \$\_\_\_\_\_.

SECTION 2.02. *Terms of the Notes.*

The Notes will be issued as current interest notes, in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Notes will be dated as of the Closing Date, and will mature on April 1, 2016. The Notes will bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rate of \_\_\_% per annum. Interest on the Notes is payable on each Interest Payment Date or upon earlier redemption thereof as hereinafter provided (if any).

The Trustee will pay interest on the Notes by check of the Trustee mailed by first class mail, postage prepaid, to the Owners of the Notes at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of Notes in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of the Record Date for the Notes, the Trustee will pay interest on the Notes by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request will remain in effect until rescinded in writing by the Owner. The Trustee will pay principal of the Notes in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee.

SECTION 2.03. *Redemption of Notes*

(a) Optional Redemption.

The Notes are subject to redemption prior to maturity on any date, at a redemption price equal to the outstanding proposed amount plus interest accrued to the redemption date, without premium.

The Authority must give the Trustee written notice of its intention to redeem Notes under this subsection (a), and, if a partial redemption, the manner of selecting such Notes for redemption, in sufficient time to enable the Trustee to give notice of such redemption in accordance with the notice provisions set forth below. For purposes of such selection, the Trustee shall treat each Note as consisting of separate \$5,000 portions and each such portion shall be subject to redemption as if such portion were a separate Note.

(b) Redemption Notice; Rescission. The Trustee shall mail notice of redemption of the Notes by first class mail, postage prepaid, not less than 30 nor more than 60 days before any redemption date, to the respective Owners of any Notes designated for redemption at their addresses appearing on the Registration Books and to one or more Securities Depositories and to the Municipal Securities Rulemaking



Board. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Notes are to be redeemed, the CUSIP numbers and (in the event that not all Notes are called for redemption) Note numbers of the Notes to be redeemed, and in the case of Notes to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Notes the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Notes be then surrendered. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Notes shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

The Authority has the right to rescind any notice of the redemption of Notes by written notice to the Trustee on or prior to the dated fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Notes then called for redemption, and such cancellation shall not constitute an Event of Default. The Authority and the Trustee have no liability to the Note Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

(c) Partial Redemption of Notes. Upon surrender of any Notes redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Note or Notes of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Notes surrendered.

(d) Effect of Redemption. Notice of redemption having been duly given as described above, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, including any applicable premium, the Notes (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Notes (or portions thereof) so called for redemption shall become due and payable, interest on the Notes so called for redemption shall cease to accrue, said Notes (or portions thereof) shall cease to be entitled to any benefit or security under this Trust Agreement, and the Owners of said Notes shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Notes redeemed under the provisions of this Section shall be canceled by the Trustee upon surrender thereof and destroyed in accordance with the retention policy of the Trustee then in effect.

#### SECTION 2.04. *Transfer and Exchange of Notes.*

(a) Transfer. Any Note may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Note to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a

form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any Notes under this Section 2.04. Whenever any Note or Notes shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Note or Notes of like series, interest rate, maturity and aggregate principal amount. The Authority shall pay the cost of printing Notes and any services rendered or expenses incurred by the Trustee in connection with any transfer of Notes.

(b) Exchange. The Notes may be exchanged at the Office of the Trustee for a like aggregate principal amount of Notes of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Notes under this subsection (b). The Authority shall pay the cost of printing Notes and any services rendered or expenses incurred by the Trustee in connection with any exchange of Notes.

#### SECTION 2.05. *Book-Entry System.*

(a) Original Delivery. The Notes will be initially delivered in the form of a separate single fully registered Note (which may be typewritten) for each maturity of the Notes. Upon initial delivery, the Trustee shall register the ownership of each Note on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Notes shall be registered in the name of the Nominee on the Registration Books.

With respect to Notes the ownership of which shall be registered in the name of the Nominee, the Authority and the Trustee has no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Nominee holds an interest in the Notes. Without limiting the generality of the immediately preceding sentence, the Authority and the Trustee has no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Notes, (ii) the delivery to any Depository System Participant or any other person, other than a Note Owner as shown in the Registration Books, of any notice with respect to the Notes, (iii) the selection by the Depository of the beneficial interests in the Notes to be redeemed if the Authority elects to redeem the Notes in part, (iv) the payment to any Depository System Participant or any other person, other than a Note Owner as shown in the Registration Books, of any amount with respect to principal or interest on the Notes or (v) any consent given or other action taken by the Depository as Owner of the Notes. The Authority and the Trustee may treat and consider the person in whose name each Note is registered as the absolute owner of such Note for the purpose of payment of principal of and interest on such Note, for the purpose of registering transfers of ownership of such Note, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest on the Notes only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest on the Notes to the extent of the sum or sums so paid. No person other than a Note Owner shall receive a Note evidencing the obligation of the Authority to make payments of principal and interest under this Trust Agreement. Upon delivery by the Depository to the Authority of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all

purposes; and upon receipt of such a notice the Authority shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Notes for the Depository's book-entry system, the Authority shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Notes. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in the Notes other than the Note Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the Authority may take any other actions, not inconsistent with this Trust Agreement, to qualify the Notes for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Notes, or (ii) the Authority determines to terminate the Depository as such, then the Authority shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Authority and the Trustee in the issuance of replacement Notes by providing the Trustee with a list showing the interests of the Depository System Participants in the Notes, and by surrendering the Notes, registered in the name of the Nominee, to the Trustee on or before the date such replacement Notes are to be issued. The Depository, by accepting delivery of the Notes, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Authority fails to identify another Securities Depository to replace the Depository, then the Notes shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Notes shall designate, in accordance with the provisions hereof.

If the Authority determines that it is in the best interests of the beneficial owners of the Notes that they be able to obtain certificated Notes, the Authority may notify the Depository System Participants of the availability of such certificated Notes through the Depository. In such event, the Trustee will issue, transfer and exchange Notes as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Authority shall cooperate with the Depository in taking appropriate action (y) to make available one or more separate certificates evidencing the Notes to any Depository System Participant having Notes credited to its account with the Depository, or (z) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Notes, all at the Authority's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Trust Agreement to the contrary, so long as any Note is registered in the name of the Nominee, all payments with respect to principal of and interest on such Note and all notices with respect to such Note shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

SECTION 2.06. *Registration Books.* The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Notes, which shall upon reasonable notice as agreed to by the Trustee, be open to inspection during regular business hours by the Authority; 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 such records, the ownership of the Notes as hereinbefore provided.

SECTION 2.07. *Form and Execution of Notes.* The Notes, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Appendix A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Trust Agreement.

The Executive Director of the Authority shall execute, and the Secretary of the Authority shall attest each Note. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Note ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. Any Note may be signed and attested on behalf of the Authority by such persons as at the actual date of the execution of such Note are the proper officers of the Authority, duly authorized to execute debt instruments on behalf of the Authority, although on the date of such Note any such person was not an officer of the Authority.

Only those Notes bearing a certificate of authentication in the form set forth in Appendix A, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Trust Agreement, and such certificate of the Trustee is conclusive evidence that such Notes have been duly authenticated and delivered hereunder and are entitled to the benefits of this Trust Agreement.

## ARTICLE III

### ISSUANCE OF NOTES; APPLICATION OF PROCEEDS

SECTION 3.01. *Issuance of the Notes.* Upon the execution and delivery of this Trust Agreement, the Authority shall execute and deliver to the Trustee the Notes in the aggregate principal amount of \$\_\_\_\_\_. The Trustee shall authenticate and deliver the Notes to the Original Purchaser upon receipt of a Request of the Authority therefor.

SECTION 3.02. *Application of Proceeds of Sale of Notes.* Upon the receipt of payment for the Notes on the Closing Date, the Trustee shall deposit the proceeds thereof into a temporary account, which shall be disbursed in full on the Closing Date (whereupon said temporary account shall be closed) as follows:

- (a) The Trustee shall deposit the amount of \$\_\_\_\_\_ into the Costs of Issuance Fund.

- (b) The Trustee shall deposit the amount of \$\_\_\_\_\_, constituting the remainder of such proceeds and representing the full amount of the Site Lease Payment, into the Project Fund.

SECTION 3.03. *Establishment and Application of Costs of Issuance Fund.* The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund" into which the Trustee shall deposit a portion of the proceeds of sale of the Notes under Section 3.02(a). The Trustee shall disburse amounts in the Costs of Issuance Fund from time to time to pay the Costs of Issuance upon submission of a Written Requisition of the Authority stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. The Trustee may conclusively rely on such Written Requisitions and shall be fully protected in relying thereon. On August 1, 2013, or upon the earlier Written Request of the Authority, the Trustee shall transfer all amounts remaining in the Costs of Issuance Fund to the Note Repayment Fund and shall thereupon close the Costs of Issuance Fund.

SECTION 3.04. *Project Fund.* The Trustee will establish and maintain a separate fund to be known as the "Project Fund". The Trustee will disburse moneys in the Project Fund from time to time to pay Project Costs (or to reimburse the District for payment of Project Costs, upon the receipt of Written Requisitions of the District in substantially the form set forth in Appendix B attached hereto). Each such Written Requisition will be sufficient evidence to the Trustee of the facts stated therein and the Trustee has no duty to confirm the accuracy of such facts. The Trustee has no responsibility for payments made in accordance with this Section 3.04.

Upon the receipt by the Trustee of a Written Certificate of the District under Section 3.2 of the Lease, stating that the Project has been completed, the Trustee will withdraw from the Project Fund and deposit in the Note Repayment Fund all amounts remaining on deposit in the Project Fund, other than amounts estimated by the District (as identified in such Written Certificate) to be retained in the Project Fund to pay future Project Costs. Upon the filing with the Trustee of a Written Certificate of the District stating that no further amounts are intended to be requisitioned from the Project Fund, amounts remaining in the Project Fund will be transferred to the Note Repayment Fund to be applied as a credit towards the Lease Payments next coming due and payable.

SECTION 3.05. *Validity of Notes.* The recital contained in the Notes that the same are issued under the Constitution and laws of the State of California shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

## ARTICLE IV

### SECURITY FOR THE NOTES

SECTION 4.01. *Security for the Notes; Note Repayment Fund.*

(a) Pledge of Revenues and Other Amounts. Subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the

terms and conditions set forth herein, all of the Revenues and all amounts (including proceeds of the sale of the Notes) held in any fund or account established under this Trust Agreement are hereby pledged to secure the payment of the principal of and interest on the Notes in accordance with their terms and the provisions of this Trust Agreement. Said pledge constitutes a lien on and security interest in the Revenues and such amounts and shall attach, be perfected and be valid and binding from and after the Closing Date, without the need for any physical delivery thereof or further act.

(b) Assignment to Trustee. Under the Assignment Agreement, the Authority has transferred to the Trustee all of the rights of the Authority in the Lease (other than the rights of the Authority under Sections 3.5, 6.3 and 8.4 thereof). The Trustee is entitled to collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee is also entitled to and shall, subject to the provisions of Article VIII, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the District under the Lease.

(c) Refunding Obligations on a Parity. In the event the Authority issues any Refunding Obligations for the purpose of refunding any series of the Notes, such Refunding Obligations shall be equally and ratably secured by a pledge of and lien on the Revenues on a parity with the Notes (if any) which remain Outstanding. It is the intention of the Authority that all series of Notes and Refunding Obligations which are outstanding at any time shall be secured by a parity pledge of and lien on the Revenues.

SECTION 4.02. *Note Repayment Fund.* All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Note Repayment Fund" which the Trustee shall establish, maintain and hold in trust. The Trustee shall also deposit into the Note Repayment Fund any amounts required to be deposited therein pursuant to Sections 5.06(b) and 5.06(c). The Trustee shall apply amounts on deposit in the Note Repayment Fund for the sole purpose of paying the principal of and interest on the Notes and any Refunding Obligations described in Section 4.01(d) when due, and for the payment of the redemption price of any Notes called for redemption.

Any surplus remaining in the Note Repayment Fund, after payment in full of the principal of and interest on the Notes or provision therefore under Article IX, shall be withdrawn by the Trustee and transferred to the Project Fund as long as the Project Fund remains open and, after the Project Fund has been closed, remitted by the Trustee to the District.

SECTION 4.03. *Investments.* All moneys in any of the funds or accounts established with the Trustee under this Trust Agreement shall be invested by the Trustee solely in Permitted Investments. Such investments shall be directed by the Authority in a Written Request of the Authority filed with the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such directions from the Authority, the Trustee shall invest any such moneys in Permitted Investments which constitute money market funds. Permitted Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. To the extent

Permitted Investments are registrable, such Permitted Investments shall be registered in the name of the Trustee.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the Note Repayment Fund. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee or any of its affiliates may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee has no liability for losses arising from any investments made under this Section 4.03.

The Trustee may make any investments hereunder through its own bond or investment department or trust investment department, or those of its parent or any affiliate. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or is dealing as a principal for its own account.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority will not receive such confirmations to the extent permitted by law. Not less than quarterly, the Trustee will furnish the Authority cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

#### SECTION 4.04. *Valuation and Disposition of Investments.*

(a) Except as otherwise provided in subsection (b) of this Section, the Authority covenants that all investments of amounts deposited in any fund or account created by or under this Trust Agreement, or otherwise containing gross proceeds of the Notes (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued at the Fair Market Value thereof as such term is defined in subsection (d) below. The Trustee has no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Authority in any Written Request of the Authority.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code shall be valued at cost thereof, (consisting of present value thereof within the meaning of Section 148 of the Tax Code); provided that the Authority shall inform the Trustee which funds are subject to a yield restriction.

(c) Except for any funds or accounts described in subsection (b), for the purpose of determining the amount in any fund or account established hereunder, the value of Permitted Investments credited to such fund shall be valued by the Trustee at least annually on or before April 1. The Trustee may sell or present for redemption, any Permitted Investment so purchased by the Trustee whenever it is 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 any such Permitted Investment.

(d) For purposes of this Section 4.04, the term “Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security – State and Local Government Series which is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

(e) To the extent of any valuations made by the Trustee hereunder, the Trustee may utilize and rely upon computerized securities pricing services that may be available to it, including those available through its regular accounting system.

## **ARTICLE V**

### **FINANCIAL COVENANTS**

SECTION 5.01. *Punctual Payment.* The Authority shall punctually pay or cause to be paid the principal of and interest on all the Notes in strict conformity with the terms of the Notes and of this Trust Agreement, according to the true intent and meaning thereof, but only out of the Revenues and other amounts pledged for such payment as provided in this Trust Agreement.

SECTION 5.02. *Power to Issue Notes and Make Pledge and Assignment.* The Authority is duly authorized under law to issue the Notes and to enter into this Trust Agreement and to pledge and assign the Revenues and other amounts purported to be pledged and assigned, respectively, under this Trust Agreement and under the Assignment Agreement in the manner and to the extent provided in this Trust Agreement and the Assignment Agreement. The Notes and the provisions of this Trust Agreement are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Note Owners under this Trust Agreement against all claims and demands of all persons whomsoever.

SECTION 5.03. *Accounting Records.* The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries are made of



all transactions made by it relating to the proceeds of Notes and all funds and accounts established under this Trust Agreement. The Trustee shall make such books of record and account available for inspection by the Authority and the District, during business hours, upon reasonable notice, and under reasonable circumstances.

SECTION 5.04. *Tax Covenants.*

(a) Private Business Use Limitation. The Authority shall assure that the proceeds of the Notes are not used in a manner which would cause the Notes to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The Authority may not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Notes to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The Authority may not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Notes or of any other obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the Notes to be “arbitrage bonds” within the meaning of Section 148(a) of the Tax Code.

(d) Maintenance of Tax Exemption. The Authority shall take all actions necessary to assure the exclusion of interest on the Notes from the gross income of the Owners of the Notes to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The Authority shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the Notes which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, at the times and in the manner required under the Tax Code. The Authority shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, such payments to be made from amounts paid by the District for that purpose under Section 3.5(e) of the Lease. The Authority shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Notes, records of the determinations made under this subsection (e).

SECTION 5.05. *Refunding Covenant.* The Authority hereby covenants that it will issue its Refunding Obligations which are secured by Revenues and any other legally available funds of the Authority, in an amount sufficient to provide for payment of the Notes at the maturity thereof. If the Authority has not deposited with the Trustee, on or before February 1 immediately preceding the maturity of the Notes, an amount of funds sufficient to pay in full the principal of and interest on the Notes at maturity, the Authority shall immediately institute proceedings for the issuance of Refunding Obligations in an amount sufficient to provide for payment of the Notes at the maturity thereof. The Authority shall authorize, execute and deliver any and all documents, including but not limited to any amendment to the Lease Agreement and the Site Lease, as may be

required in order to (a) provide Revenues when and as required for payment of the Refunding Obligations, and (b) issue, sell and otherwise provide adequate security for the Refunding Obligations.

SECTION 5.06. *Application of Net Proceeds of Insurance or Eminent Domain.*

(a) Establishment of Insurance and Condemnation Fund. Upon the receipt of the Net Proceeds of insurance or condemnation with respect to the Leased Property, including the Net Proceeds of any title insurance policy maintained on the Leased Property, the Trustee shall establish and maintain a separate Insurance and Condemnation Fund, to be held and applied as hereinafter set forth in this Section.

(b) Application of Insurance Proceeds. Any Net Proceeds of insurance against accident to or destruction of any structure constituting any part of the Leased Property collected by the District in the event of any such accident or destruction shall be paid to the Trustee under Section 5.1 of the Lease Agreement and deposited by the Trustee promptly upon receipt thereof in the Insurance and Condemnation Fund. If the District fails to notify the Trustee in writing of its determination, within 90 days following the date of such deposit, to replace, repair, restore, modify or improve the Leased Property, then such Net Proceeds shall be promptly transferred by the Trustee to the Note Repayment Fund and applied for the purposes thereof. Notwithstanding the foregoing sentence, however, if the Leased Property is destroyed in full, the Net Proceeds of such insurance may be used to rebuild or replace the Leased Property at the election of the District. All Net Proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Note Repayment Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Leased Property by the District, upon receipt of Written Requisitions of the District satisfactory to the Trustee stating with respect to each payment to be made (i) the requisition number, (ii) the name and address of the person 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 Insurance and Condemnation Fund, has not been the basis of any previous withdrawal; specifying in reasonable detail the nature of the obligation; and accompanied by a bill or a statement of account for such obligation. Each such Written Requisition of the District shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee has no duty to confirm the accuracy of such facts. Any balance of the Net Proceeds remaining after such work has been completed shall be transferred to the District.

(c) Application of Eminent Domain Proceeds. If all or any part of the Leased Property is taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund under Section 5.1 of the Lease Agreement and shall be applied and disbursed by the Trustee as follows:

- (i) If the District has not given written notice to the Trustee in writing, within 90 days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for the repair, rehabilitation or replacement of the Leased Property, the Trustee shall transfer such Net Proceeds to the Note Repayment Fund to be applied for the purposes thereof. Notwithstanding the foregoing sentence, however, if the Leased

Property is taken in full, the Net Proceeds may be used to replace the Leased Property at the election of the District.

- (ii) If the District has given written notice to the Trustee, within 90 days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for repair, rehabilitation or replacement of the Leased Property, the Trustee shall pay to the District, or to its order, from said Net Proceeds such amounts as the District may expend for such repair or rehabilitation, upon the filing of Written Requisitions of the District in the form and containing the provisions set forth in subsection (b) of this Section.

Any balance of the Net Proceeds remaining after application as set forth in the preceding clauses (i) and (ii) shall be transferred to the District.

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

## **ARTICLE VI**

### **EVENTS OF DEFAULT AND REMEDIES**

SECTION 6.01. *Events of Default.* The following events constitute Events of Default hereunder:

- (a) Failure to pay any installment of the principal of any Notes when due, whether at maturity as therein expressed, by proceedings for redemption, by acceleration or otherwise.
- (b) Failure to pay any installment of interest on the Notes when due.
- (c) Failure by the Authority to observe and perform any of the other covenants, agreements or conditions on its part contained in this Trust Agreement or in the Notes, if such failure has continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the Authority by the Trustee; provided, however, if in the reasonable opinion of the Authority the failure stated in the notice can be corrected, but not within such 30-day period, such failure shall not constitute an Event of Default if the Authority institutes corrective action within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.
- (d) The commencement by the Authority of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

- (e) The occurrence and continuation of an event of default under and as defined in the Lease.

SECTION 6.02. *Remedies Upon Event of Default.* If any Event of Default occurs, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, and at the written direction of the Owners of a majority in aggregate principal amount of the Notes at the time Outstanding shall, in each case, upon receipt of indemnification satisfactory to Trustee against the costs, expenses and liabilities to be incurred in connection with such action, enforce any rights of the Trustee under this Trust Agreement or any of the rights of the Trustee as assignee of the Authority's rights under the Lease.

SECTION 6.03. *Application of Revenues and Other Funds After Default.* If an Event of Default occurs and is continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Trust Agreement shall be applied by the Trustee in the following order of priority:

- (a) To the payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its legal counsel including outside counsel and the allocated costs of internal attorneys) incurred in and about the performance of its powers and duties under this Trust Agreement;
- (b) To the payment of the principal of and interest then due on the Notes, with payments credited first towards the payment of interest then due on the Notes and second towards the payment of principal then due on the Notes.

SECTION 6.04. *Trustee to Represent Note Owners.* The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Notes, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Notes for the purpose of exercising and prosecuting on their behalf such rights and remedies as are available to the Note Owners. All rights of action under this Trust Agreement or the Notes or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Notes, subject to the provisions of this Trust Agreement.

SECTION 6.05. *Limitation on Note Owners' Right to Sue.* Notwithstanding any other provision hereof, no Owner of any Notes has the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Trust Agreement, the Lease or any other applicable law with respect to such Notes, unless (a) such Owner has given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Notes then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the

Trustee has failed to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee; and (e) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority in aggregate principal amount of the Notes then Outstanding.

SECTION 6.06. *Termination of Proceedings.* In case any proceedings taken by the Trustee or by any one or more Note Owners on account of any Event of Default have been discontinued or abandoned for any reason or have been determined adversely to the Trustee or the Note Owners, then in every such case the Authority, the Trustee and the Note Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee and the Note Owners shall continue as though no such proceedings had been taken.

SECTION 6.07. *Remedies Not Exclusive.* No remedy herein conferred upon or reserved to the Trustee, to the Owners of the Notes is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 6.08. *No Waiver of Default.* No delay or omission of the Trustee or of any Owner of the Notes to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein; and every power and remedy given by this Trust Agreement to the Trustee or to the Owners of the Notes may be exercised from time to time and as often as may be deemed expedient by the Trustee or the Note Owners.

SECTION 6.09. *Notice to Note Owners of Default.* Immediately upon becoming aware of the occurrence of an Event of Default, but in no event later than five Business Days following becoming aware of such occurrence, the Trustee shall promptly give written notice thereof by first class mail, postage prepaid, to the Owner of each Outstanding Note, unless such Event of Default has been cured before the giving of such notice; *provided, however* that except in the case of an Event of Default described in Sections 6.01(a) or 6.01(b), the Trustee may elect not to give such notice to the Note Owners if and so long as the Trustee in good faith determines that it is in the best interests of the Note Owners not to give such notice.

## ARTICLE VII

### THE TRUSTEE

SECTION 7.01. *Appointment of Trustee.* The Bank of New York Mellon Trust Company, N.A., is hereby appointed Trustee by the Authority 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 Authority will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this Article VII so long as any Notes are Outstanding.

SECTION 7.02. *Acceptance of Trusts; Removal and Resignation of Trustee.* The Trustee hereby accepts the express trusts imposed upon it by this Trust Agreement, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Trust Agreement and no implied duties or covenants shall be read into this Trust Agreement against the Trustee. If an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by hereunder, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Authority may remove the Trustee at any time, unless an Event of Default has occurred and is then continuing, and shall remove the Trustee (a) if at any time requested to do so by the Owners of a majority in aggregate principal amount of the Notes then Outstanding (or their attorneys duly authorized in writing) or (b) if at any time the Trustee ceases to be eligible in accordance with Section 7.02, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. Any such removal shall be made upon at least 30 days' prior written notice to the Trustee.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority and the District, and by giving the Note Owners notice of such resignation by mail at the addresses shown on the Registration Books.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. In the event of the removal or resignation of the Trustee under subsections (b) or (d), respectively, the Authority shall promptly appoint a successor Trustee.

If no successor Trustee has been appointed and accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Trust Agreement, must signify its acceptance of such appointment by executing and

delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and after payment by the Authority of all unpaid fees and expenses of the predecessor Trustee, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to the Leased Property held by such predecessor Trustee under this Trust Agreement and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall promptly mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which is then rating the Notes and to the Note Owners at the addresses shown on the Registration Books. If the Authority fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under this Trust Agreement shall be a corporation or association organized and doing business under the laws of any state or the United States of America or the District of Columbia, shall be authorized under such laws to exercise corporate trust powers, shall have (or, in the case of a corporation or association that is a member of a bank holding company system, the related bank holding company has) a combined capital and surplus of at least \$50,000,000, and shall be subject to supervision or examination by a federal or state agency, so long as any Notes are Outstanding. If such corporation or association publishes a report of condition at least annually under law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection (e), the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If the Trustee at any time ceases to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

SECTION 7.03. *Merger or Consolidation.* Any bank, national association, federal savings association, or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank, national association, federal savings association, or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national association, federal savings association, or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, federal savings association, or trust company shall be eligible under subsection (e) of Section 7.02 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 7.04. *Liability of Trustee.*

(a) The recitals of facts herein and in the Notes contained shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Trust Agreement, the Notes or the Lease (including any right to receive moneys thereunder or the value of or title to the premises upon which the Leased Property is located), nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations of Trustee herein or in the Notes assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Notes. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence. The Trustee may become the Owner of Notes with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Note Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Notes then Outstanding.

(b) The Trustee is not liable for any error of judgment made by a responsible officer, unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts.

(c) The Trustee is not liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of the Notes at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement or assigned to it under the Assignment Agreement.

(d) The Trustee is not liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Trust Agreement.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder, or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until it has actual knowledge thereof, or a corporate trust officer has received written notice thereof at its Office from the District, the Authority or the Owners of at least 25% in aggregate principal amount of the Outstanding Notes. Except as otherwise expressly provided herein, the Trustee is not bound to ascertain or inquire as to the performance or observance by the Authority or the District of any of the terms, conditions, covenants or agreements herein, under the Lease or the Notes or of any of the documents executed in connection with the Notes, or as to the existence of a default or an Event of Default or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default. The Trustee is not responsible for the validity, effectiveness or priority of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee is not required to ascertain or inquire as to the performance or observance by the District or the Authority of the terms, conditions, covenants or agreements set forth in the Lease, other than the covenants of the District to make



Lease Payments to the Trustee when due and to file with the Trustee when due, such reports and certifications as the District is required to file with the Trustee thereunder.

(f) No provision of this Trust Agreement requires the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, receivers or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, receiver or attorney appointed with due care by it hereunder.

(h) The Trustee has no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request or direction of the Note Owners under this Trust Agreement, unless such Owners have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities (including but not limited to fees and expenses of its attorneys) which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(i) Whether or not therein expressly so provided, every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of Section 7.02(a), this Section 7.04 and Section 7.05, and is applicable to the assignment of any rights under the Lease to the Trustee under the Assignment Agreement.

(j) The Trustee is not accountable to anyone for the subsequent use or application of any moneys which are released or withdrawn in accordance with the provisions hereof.

(k) The Trustee makes no representation or warranty, expressed 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 for the use contemplated by the Authority or the District of the Leased Property. In no event is the Trustee 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 Leased Property.

(l) The Trustee has no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Notes.

(m) The Trustee is authorized and directed to execute the Assignment Agreement in its capacity as Trustee hereunder.

SECTION 7.05. *Right to Rely on Documents.* The Trustee is protected and shall incur no liability in acting or refraining from acting in reliance upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Trustee is under no duty to make any investigation or inquiry as to

any statements contained or matter referred to in any paper or document but may accept and conclusively rely upon the same as conclusive evidence of the truth and accuracy of any such statement or matter and shall be fully protected in relying thereon. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Notes appearing in the Registration Books as the absolute owners of the Notes for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by this Trust Agreement the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate, Written Request or Written Requisition of the Authority or the District, and such Written Certificate, Written Request or Written Requisition shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Trust Agreement in reliance upon such Written Certificate, Written Request or Written Requisition, and the Trustee shall be fully protected in relying thereon, 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.

The Trustee agrees to accept and act upon instructions or directions under 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 Authority or the District 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 is not 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 Authority and the District agree 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 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.

SECTION 7.06. *Preservation and Inspection of Documents.* All documents received by the Trustee under the provisions of this Trust Agreement shall be retained in its respective possession and in accordance with its retention policy then in effect and shall, upon reasonable notice to Trustee, be subject to the inspection of the Authority, the District and any Note Owner, and their agents and representatives duly authorized in writing, during business hours and under reasonable conditions as agreed to by the Trustee.

SECTION 7.07. *Compensation and Indemnification.* The Authority shall pay to the Trustee from time to time, on demand, the compensation for all services rendered under this Trust Agreement and also all reasonable expenses, advances (including any interest on advances), charges, legal (including outside counsel and the allocated costs of internal attorneys) and consulting fees and other disbursements, incurred in and about the performance of its powers and duties under this Trust Agreement.

The Authority shall indemnify the Trustee, its officers, directors, employees and agents against any cost, loss, liability or expense whatsoever (including but not limited to fees and expenses of its attorneys) incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust and this Trust Agreement, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder or under the Assignment Agreement or the Lease. As security for the performance of the obligations of the Authority under this Section 7.07 and the obligation of the Authority to make Additional Rental Payments to the Trustee, the Trustee shall have a lien prior to the lien of the Notes upon all property and funds held or collected by the Trustee as such. The rights of the Trustee and the obligations of the Authority under this Section 7.07 shall survive the resignation or removal of the Trustee or the discharge of the Notes and this Trust Agreement and the Lease.

## ARTICLE VIII

### MODIFICATION OR AMENDMENT HEREOF

#### SECTION 8.01. *Amendments Permitted.*

(a) Amendments With Note Owner Consent. This Trust Agreement and the rights and obligations of the Authority and of the Owners of the Notes and of the Trustee may be modified or amended from time to time and at any time by Supplemental Agreement, which the Authority and the Trustee may enter into when the written consents of the Owners of a majority in aggregate principal amount of all Notes then Outstanding are filed with the Trustee. No such modification or amendment may (i) extend the fixed maturity of any Notes, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Note so affected, or (ii) reduce the aforesaid percentage of Notes the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Trust Agreement or deprive the Owners of the Notes of the lien created by this Trust Agreement on such Revenues and other assets (except as expressly provided in this Trust Agreement), without the consent of the Owners of all of the Notes then Outstanding. It is not necessary for the consent of the Note Owners to approve the particular form of any Supplemental Agreement, but it is sufficient if such consent approves the substance thereof.

(b) Amendments Without Owner Consent. This Trust Agreement and the rights and obligations of the Authority, of the Trustee and the Owners of the Notes may also be modified or amended from time to time and at any time by a Supplemental Agreement, which the Authority and the Trustee may enter into without the consent of any Note Owners, if the Trustee has been furnished an opinion of counsel that the provisions of such Supplemental Agreement shall not materially adversely affect the interests of the Owners of the Notes, including, without limitation, for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the Authority in this Trust Agreement contained, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Notes (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;
- (ii) to cure any ambiguity, inconsistency or omission, or to cure or correct any defective provision, contained in this Trust Agreement, or in regard to matters or questions arising under this Trust Agreement, as the Authority deems necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Note Owners, in the opinion of Bond Counsel filed with the Trustee;
- (iii) to modify, amend or supplement this Trust Agreement in such manner as to permit the qualification hereof under the Trust

Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute; or

- (iv) to modify, amend or supplement this Trust Agreement in such manner as to assure that the interest on the Notes remains excluded from gross income under the Tax Code;
- (v) to modify, amend or supplement this Trust Agreement as necessary in order to accomplish the issuance of Refunding Obligations.

The Trustee may in its discretion, but is not obligated to, enter into any such Supplemental Agreement authorized by subsections (a) or (b) of this Section which materially adversely affects the Trustee's own rights, duties or immunities under this Trust Agreement or otherwise.

(c) Bond Counsel Opinion Requirement. Prior to the Trustee entering into any Supplemental Agreement hereunder, the Authority shall deliver to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Agreement has been adopted in compliance with the requirements of this Trust Agreement and that the adoption of such Supplemental Agreement will not, in and of itself, adversely affect the exclusion from gross income for purposes of federal income taxes of interest on the Notes.

(d) Notice of Amendments. The Authority shall deliver or cause to be delivered a draft of any Supplemental Agreement to each rating agency which then maintains a rating on the Notes, at least ten days prior to the effective date of such Supplemental Agreement under this Section 8.01.

SECTION 8.02. *Effect of Supplemental Agreement.* Upon the execution of any Supplemental Agreement under this Article VIII, this Trust Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement of the Authority, the Trustee and all Owners of Notes Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Trust Agreement for any and all purposes.

SECTION 8.03. *Amendment of Particular Notes.* The provisions of this Article VIII do not prevent any Note Owner from accepting any amendment as to the particular Notes held by such Owner.

## ARTICLE IX

### DEFEASANCE

SECTION 9.01. *Discharge of Trust Agreement.* Any or all of the Outstanding Notes may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority:

- (a) by paying or causing to be paid the principal of and interest on such Notes, as and when the same become due and payable;
- (b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.03) to pay or redeem such Notes; or
- (c) by delivering all of such Notes to the Trustee for cancellation.

If the Authority also pays or causes to be paid all other sums payable hereunder by the Authority, then and in that case, at the election of the Authority (evidenced by a Written Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Trust Agreement), and notwithstanding that any of such Notes shall not have been surrendered for payment, this Trust Agreement and the pledge of Revenues and other assets made under this Trust Agreement with respect to such Notes and all covenants, agreements and other obligations of the Authority under this Trust Agreement with respect to such Notes shall cease, terminate, become void and be completely discharged and satisfied, subject to Section 9.02. In such event, upon the Written Request of the Authority, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Trust Agreement which are not required for the payment of any of such Notes not theretofore surrendered for such payment. The Trustee is entitled to conclusively rely on any such Written Certificate or Written Request and, in each case, is fully protected in relying thereon.

SECTION 9.02. *Discharge of Liability on Notes.* Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.03) to pay or redeem any Outstanding Notes (whether upon or prior to the maturity date of such Notes), provided that, if such Notes are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Section 2.03 or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Notes shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 9.04.

The Authority may at any time surrender to the Trustee, for cancellation by Trustee, any Notes previously issued and delivered, which the Authority may have

acquired in any manner whatsoever, and such Notes, upon such surrender and cancellation, shall be deemed to be paid and retired.

SECTION 9.03. *Deposit of Money or Securities with Trustee.* Whenever in this Trust Agreement it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Notes, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established under this Trust Agreement and shall be:

- (a) lawful money of the United States of America in an amount equal to the principal amount of such Notes and all unpaid interest thereon to maturity, except that, in the case of Notes that are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Section 2.03 or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Notes, premium, if any, and all unpaid interest thereon to the redemption date; or
- (b) non-callable Federal Securities, the principal of and interest on which when due will, in the written opinion of an Independent Accountant filed with the District, the Authority and the Trustee, provide money sufficient to pay the principal of and interest on the Notes to be paid or redeemed, as such principal and interest become due, except that, in the case of Notes that are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Section 2.03 or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Notes, premium, if any, and all unpaid interest thereon to the redemption date;

provided, in each case, that (i) the Trustee shall have been irrevocably instructed (by the terms of this Trust Agreement or by Written Request of the Authority) to apply such money to the payment of such principal and interest with respect to such Notes, and (ii) the Authority shall have delivered to the Trustee an opinion of Bond Counsel to the effect that such Notes have been discharged in accordance with this Trust Agreement (which opinion may rely upon and assume the accuracy of the Independent Accountant's opinion referred to above). The Trustee is entitled to conclusively rely on such Written Request or opinion and shall be fully protected, in each case, in relying thereon.

SECTION 9.04. *Unclaimed Funds.* Notwithstanding any provisions of this Trust Agreement, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Notes and remaining unclaimed for two years after the principal of all of the Notes has become due and payable (whether at maturity or by acceleration as provided in this Trust Agreement), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Notes became due and payable, shall be repaid to the Authority free from the trusts created by this Trust Agreement, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however,* that before the repayment of such

moneys to the Authority as aforesaid, the Trustee shall (at the cost of the Authority) first mail to the Owners of Notes which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Notes so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

## ARTICLE X

### MISCELLANEOUS

SECTION 10.01. *Liability of Authority Limited to Revenues.* Notwithstanding anything in this Trust Agreement or in the Notes contained, the Authority is not required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Trust Agreement for any of the purposes in this Trust Agreement mentioned, whether for the payment of the principal of or interest on the Notes or for any other purpose of this Trust Agreement. Nevertheless, the Authority may, but is not required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

SECTION 10.02. *Limitation of Rights to Parties and Note Owners.* Nothing in this Trust Agreement or in the Notes expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the District and the Owners of the Notes, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the District and the Owners of the Notes.

SECTION 10.03. *Funds and Accounts.* Any fund or account required by this Trust Agreement to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account. The Trustee may establish such funds and accounts as it deems necessary or appropriate to perform its obligations under this Trust Agreement.

SECTION 10.04. *Reserved.*

SECTION 10.05. *Waiver of Notice; Requirement of Mailed 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 such 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. Whenever in this Trust Agreement any notice is required to be given by mail, such requirement may be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

SECTION 10.06. *Destruction of Notes.* Whenever in this Trust Agreement provision is made for the cancellation by the Trustee, and the delivery to the Authority, of



any Notes, the Trustee may, in lieu of such cancellation and delivery, destroy such Notes as may be allowed by law, and at the written request of the Authority the Trustee shall deliver a certificate of such destruction to the Authority.

SECTION 10.07. *Severability of Invalid Provisions.* If any one or more of the provisions contained in this Trust Agreement or in the Notes are for any reason held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Trust Agreement and 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 Authority hereby declares that it would have entered into this Trust Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Notes pursuant thereto 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.

SECTION 10.08. *Notices.* All notices or communications to be given under this Trust Agreement shall be given by first class 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 shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, confirmed by telephone, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the District or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

*If to the District  
or the Authority:*

Lammersville Joint Unified School District  
111 S. De Anza Boulevard  
Mountain House, CA 95391  
Attention: Superintendent  
Fax: (209) 835-1113

*If to the Trustee:*

The Bank of New York Mellon Trust Company, N.A.  
Corporate Trust Department  
550 Kearny Street, Suite 600  
San Francisco, CA 94108  
Fax: (415) 263-2064

SECTION 10.09. *Evidence of Rights of Note Owners.* Any request, consent or other instrument required or permitted by this Trust Agreement to be signed and executed by Note Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Note Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Notes transferable by delivery, shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Section 10.08.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Notes shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Note shall bind every future Owner of the same Note and the Owner of every Note issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

SECTION 10.10. *Money Held for Particular Notes.* The money held by the Trustee for the payment of the interest or principal due on any date with respect to particular Notes shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Notes entitled thereto, *subject, however,* to the provisions of Section 9.04 but without any liability for interest thereon.

SECTION 10.11. *Waiver of Personal Liability.* No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest on the Notes or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Trust Agreement.

SECTION 10.12. *Successor Is Deemed Included in All References to Predecessor.* Whenever in this Trust Agreement either the Authority, the District or the Trustee is 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 Authority, the District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 10.13. *Execution in Several Counterparts.* This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 10.14. *Payment on Non-Business Day.* In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and with the same effect as if made on such preceding non-Business Day.

SECTION 10.15. *Governing Law.* This Trust Agreement shall be governed by and construed in accordance with the laws of the State of California.

**IN WITNESS WHEREOF**, the LAMMERSVILLE SCHOOLS FINANCE AUTHORITY has caused this Trust Agreement to be signed in its name by its Executive Director and attested to by its Secretary, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**LAMMERSVILLE SCHOOLS FINANCE  
AUTHORITY**

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

Attest:

\_\_\_\_\_  
Secretary

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

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

**APPENDIX A**  
**FORM OF NOTES**

NO. R- \_\_\_\_\_

\*\*\*\$ \_\_\_\_\_ \*\*\*

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA

**LAMMERSVILLE SCHOOLS FINANCE AUTHORITY**

**2013 LEASE REVENUE NOTE**  
**(Mountain House High School Project)**

INTEREST RATE: \_\_\_\_\_%      MATURITY DATE: April 1, 2016      ORIGINAL ISSUE DATE: April \_\_, 2013      CUSIP: \_\_\_\_\_

REGISTERED OWNER:      CEDE & CO.

PRINCIPAL AMOUNT: \*\*\*

The LAMMERSVILLE SCHOOLS FINANCE AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above (subject to any right of prior redemption hereinafter provided for), in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Original Issue Date specified above, at the Interest Rate per annum specified above, payable on the Maturity Date hereof. Interest on this Note is calculated on the basis of a 360-day year composed of twelve 30-day months.

Principal hereof and premium, if any, upon earlier redemption hereof, is payable upon presentation and surrender hereof at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), or such other place as may be designated by the Trustee (the "Trust Office"). Interest hereon is payable by check of the Trustee mailed on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each Interest Payment Date (a "Record Date"), or, upon written request filed with the Trustee as of such Record Date by a registered owner of at least \$1,000,000 in aggregate principal amount of Notes, by wire transfer in immediately available funds to an account in the United States designated by such registered owner in such written request.

This Note is not a debt of the Lammersville Joint Unified School District (the "District"), the County of San Joaquin, the State of California, or any of its political subdivisions, and neither the District, said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Note be payable out of any funds or properties of the Authority other than the Revenues.

This Note is one of a duly authorized issue of notes of the Authority designated as the "Lammersville Schools Finance Authority 2013 Lease Revenue Notes (Mountain House High School Project)" (the "Notes"), in an aggregate principal amount of \$ \_\_\_\_\_, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, series, interest rates, or redemption provisions) and have been issued under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"), and under a Trust Agreement dated as of April 1, 2013, between the Authority and the Trustee (the "Trust Agreement") and a resolution of the Authority adopted on March 6, 2013, authorizing the issuance of the Notes. Reference is hereby made to the Trust Agreement (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Notes are issued, the provisions with regard to the nature and extent of the Revenues, and the rights thereunder of the owners of the Notes and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all of the provisions of which the Registered Owner of this Note, by acceptance hereof, assents and agrees.

This Note and the interest hereon are special obligations of the Authority, payable from the Revenues, and secured by a charge and lien on the Revenues as defined in the Trust Agreement, consisting principally of lease payments made by the District under a Lease Agreement dated as of April 1, 2013, between the Authority as lessor and the District as lessee (the "Lease"). As and to the extent set forth in the Trust Agreement, all of the Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Trust Agreement, to the payment of the principal of and interest on the Notes.

The rights and obligations of the Authority and the owners of the Notes may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Trust Agreement, but no such modification or amendment shall extend the fixed maturity of any Notes, or reduce the amount of principal thereof, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each Note so affected.

The Notes are subject to redemption prior to maturity on any date at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date, without premium.

As provided in the Trust Agreement, notice of redemption will be mailed by the Trustee by first class mail not less than 30 nor more than 60 days prior to the redemption date to the respective owners of any Notes designated for redemption at their addresses appearing on the registration books of the Trustee and to one or more Securities Depositories and to the Municipal Securities Rulemaking Board, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption. Notice of any redemption of the Notes may be rescinded under the circumstances set forth in the Trust Agreement, upon notice to the owners of such Notes.

If this Note is called for redemption and payment is duly provided therefor as specified in the Trust Agreement, interest shall cease to accrue hereon from and after the date fixed for redemption.

This Note is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Trust Office, 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 Note. Upon registration of such transfer, a new Note or Notes, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. This Note may be exchanged at the Trust Office for Notes of the same tenor, aggregate principal amount, interest rate and maturity, of other authorized denominations.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

Unless this Note is presented by an authorized representative of The Depository Trust Company to the Authority or the Trustee for registration of transfer, exchange or payment, and any Note issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified by the Authority that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Note do exist, have happened or have been performed in due and regular time, form and manner as required by the Bond Law and the laws of the State of California and that the amount of this Note, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Bond Law or any laws of the State of California, and is not in excess of the amount of Notes permitted to be issued under the Trust Agreement.

This Note shall not be entitled to any benefit under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Lammersville Schools Finance Authority has caused this Note to be executed in its name and on its behalf with the facsimile signature of its Executive Director and attested to by the facsimile signature of its Secretary, all as of the Original Issue Date specified above.

**LAMMERSVILLE SCHOOLS FINANCE  
AUTHORITY**

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

Attest:

\_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION**

This is one of the Notes described in the within-mentioned Trust Agreement.

Dated:

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

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

SPECIMEN

## ASSIGNMENT

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

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

Signature Guaranteed:

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

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



**APPENDIX B**

**FORM OF REQUISITION**

**WRITTEN REQUISITION NO. \_\_\_\_ FOR  
DISBURSEMENT FROM THE PROJECT FUND**

The undersigned hereby states and certifies:

(i) that I am the duly appointed, qualified and acting \_\_\_\_\_ of the Lammersville Joint Unified School District (the "District"), and as such, I am familiar with the facts herein certified and am authorized and qualified to certify the same;

(ii) that I am a duly designated "Authorized Representative" of the District, as that term is defined in the Trust Agreement dated as of April 1, 2013 (the "Trust Agreement"), between the Lammersville Schools Finance Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, as trustee (the "Trustee");

(iii) that the Trustee is hereby requested to disburse this date from the Project Fund established under Section 3.04 of the Trust Agreement to the payees set forth on Exhibit A attached hereto and by this reference incorporated herein, the respective sum set forth opposite each such payee, for the purposes identified therein;

(iv) that each item to be paid pursuant to this Requisition has been properly incurred, is a proper charge against the Project Fund and has not been the basis of any previous disbursement; and

(v) that each amount to be disbursed herein is for payment of a Project Cost.

Capitalized terms used herein and not otherwise defined have the meanings given them in the Trust Agreement.

Dated:

**LAMMERSVILLE JOINT UNIFIED  
SCHOOL DISTRICT**

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

Name:

Title:

**EXHIBIT A**  
**PROJECT COST DISBURSEMENTS**

Payee Name and Address

Purpose of Obligation

Amount