

WHEN RECORDED, RETURN TO:

Jones Hall
A Professional Law Corporation
650 California Street, 18th Floor
San Francisco, California 94108
Attention: Christopher K. Lynch

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

SITE LEASE

This SITE LEASE (this "Site Lease"), dated as of April 1, 2013, is between 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, as lessor (the "District"), and the LAMMERSVILLE SCHOOLS FINANCE AUTHORITY, a joint powers authority organized and existing under the laws of the State of California, as lessee (the "Authority").

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 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 call Mountain House High School (the "Project").

3. In order to provide financing for the Project, the District has proposed to lease certain existing property of the District, consisting of the Bethany Elementary School and the Questa Elementary School, which is more fully described in Appendix A attached hereto and by this reference incorporated herein (the "Leased Property"), to the Authority under this 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

a Trust Agreement dated as of April 1, 2013 (the "Trust Agreement"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

5. The Notes are 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, which has been recorded concurrently herewith, under which the Authority has leased the Leased Property back to the District in consideration of the payment by the District of periodic lease payments which are sufficient in time and amount, together with amounts provided by the Authority for such purpose, to pay when due the interest on the Notes and any obligations issued by the Authority to refund the Notes (the "Authority Debt").

6. The District is authorized to enter into this Site Lease and the Lease Agreement under Section 17456 of the Education Code of the State of California, and the Authority is authorized to enter into this Site Lease and the Lease Agreement under the provisions of Section 6588 of the Government Code of the State of California.

7. The Authority and the District have each duly authorized the execution and delivery of this Site Lease.

AGREEMENT:

In consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

SECTION 1. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Site Lease have the respective meanings given them in the Trust Agreement.

SECTION 2. *Lease of Leased Property.* The District hereby leases the Leased Property to the Authority upon the terms and conditions set forth in this Site Lease.

SECTION 3. *Term; Possession.* This Site Lease shall become effective on the date of execution, delivery and recordation hereof and shall end on April 1, 2043, unless such term is extended or sooner terminated as hereinafter provided. If prior to April 1, 2043, all outstanding Authority Debt is redeemed or retired and no additional Authority Debt is issued, the term of this Site Lease will thereupon end. If on April 1, 2043, any issue of Authority Debt remains outstanding and unpaid, then the term of this Site Lease will be extended until such issue of Authority Debt has been paid and discharged by its terms, but not beyond April 1, 2053.

SECTION 4. *Rental.* The Authority shall pay the Site Lease Payment to the District as and for rental of the Leased Property. The Site Lease Payment in the amount of \$_____ is due and payable upon the issuance of the Notes and the execution and delivery hereof, and will be paid from the proceeds of the Notes.

The Site Lease Payment shall be deposited by the Trustee in the Project Fund to be held and administered in accordance with the Trust Agreement. The Authority and

the District hereby find and determine that the total amount of the Site Lease Payment does not exceed the fair market value of the leasehold interest in the Leased Property which is conveyed hereunder by the District to the Authority. No other amount of rental is due and payable by the Authority for the use and occupancy of the Leased Property under this Site Lease. The District shall apply the proceeds of the Site Lease Payment to pay Project Costs, and shall ensure that all of such proceeds are applied solely for capital outlay purposes.

SECTION 5. *Construction of Project.* The purpose for which the District agrees to lease the Leased Property to the Authority hereunder is to enable the District to finance the Project as provided in the Trust Agreement and the Lease Agreement.

SECTION 6. *Assignments and Subleases.* Unless the District is in default under the Lease Agreement, the Authority may not assign its rights under this Site Lease or sublet all or any portion of the Leased Property without the prior written consent of the District; *provided, however*, that the rights of the Authority hereunder may be assigned to the trustee for any issue of Authority Debt without the prior written consent of the District.

SECTION 7. *Substitution or Release of Property.* If the District exercises its option under Section 4.9 of the Lease Agreement to substitute property for the Leased Property in whole or in part, such substitution shall also operate to substitute property for the Leased Property which is leased hereunder. If the District exercises its option under Section 4.10 of the Lease Agreement to release any portion of the Leased Property from the Lease Agreement, such release shall also operate to release property hereunder. The description of the property which is leased hereunder shall conform at all times to the description of the property which is leased under the Lease Agreement.

SECTION 8. *Right of Entry.* The District reserves the right for any of its duly authorized representatives to enter upon the Leased Property, or any portion thereof, at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 9. *Termination.* The Authority agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property in the same good order and condition as the Leased Property was in at the time of commencement of the term hereof, reasonable wear and tear excepted, and agrees that all buildings, improvements and structures then existing upon the Leased Property shall remain thereon and title thereto shall vest thereupon in the District for no additional consideration.

SECTION 10. *Default.* If the Authority defaults in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Authority, the District may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease Agreement shall be deemed to occur as a result thereof and no such remedy may include termination hereof; *provided, however*, that so long as the Lease Agreement remains in effect, the Lease Payments payable by the District under the Lease Agreement shall continue to be paid to the Trustee.

SECTION 11. *Quiet Enjoyment.* The Authority at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Leased Property,

subject to the provisions of the Lease Agreement and subject only to Permitted Encumbrances (as such term is defined in the Lease Agreement).

SECTION 12. *Waiver of Personal Liability.* All liabilities under this Site Lease on the part of the Authority are solely corporate liabilities of the Authority as a public entity, and the District hereby releases each and every member and officer of the Authority of and from any personal or individual liability under this Site Lease. No member or officer of the Authority or its governing board shall at any time or under any circumstances be individually or personally liable under this Site Lease for anything done or omitted to be done by the Authority hereunder.

SECTION 13. *Taxes.* The District covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property and any improvements thereon.

SECTION 14. *Eminent Domain.* If the whole or any part of the Leased Property or any improvements thereon is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid Lease Payments payable under the Lease Agreement and the balance of the award, if any, shall be paid to the District.

SECTION 15. *Partial Invalidity.* If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 16. *Notices.* Any notice, request, complaint, demand or other communication under this Site Lease shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopy, telex or other form of telecommunication, (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 District and the Authority 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 17. *Amendment of this Site Lease.* The Authority and the District may at any time amend or modify any of the provisions of this Site Lease, but only (a) with the prior written consent of the Owners of a majority in aggregate principal amount of the outstanding Authority Debt; or (b) without the consent of any owners of outstanding Authority Debt, but only if such amendment or modification is for any one or more of the following purposes:

- (i) to make cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, or in any other respect whatsoever as the Authority and the District may deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments do not materially adversely affect the interests of the owners of outstanding Authority Debt;
- (ii) to amend any provision hereof relating to the Tax Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest on Authority Debt under the Tax Code, in the opinion of Bond Counsel;
- (iii) to conform to any amendment of the Trust Agreement which is made thereto in accordance with the Trust Agreement; or
- (iv) for the purpose of effectuating any substitution or release of property under Section 7.

The Authority shall deliver or cause to be delivered a draft of any amendment of this Site Lease to each rating agency which then maintains a rating on the outstanding Authority Debt, at least 15 days prior to the effective date of such amendment.

SECTION 18. *Governing Law.* This Site Lease shall be construed in accordance with and governed by the Constitution and laws of the State of California.

SECTION 19. *Third Party Beneficiary.* The Trustee is hereby made a third party beneficiary under this Site Lease with all rights of a third party beneficiary.

SECTION 20. *Binding Effect.* This Site Lease inures to the benefit of and is binding upon the Authority, the District and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 21. *Section Headings.* All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

SECTION 22. *Execution in Counterparts.* This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Site Lease may be separately executed by the Authority and the District, all with the same force and effect as though the same counterpart had been executed by both the Authority and the District.

SECTION 23. *Defined Terms.* All capitalized terms used herein and not otherwise defined have the respective meanings given those terms in the Trust Agreement.

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

**LAMMERSVILLE JOINT UNIFIED
SCHOOL DISTRICT,**
as lessor

By _____
Superintendent

Attest:

By _____
Clerk of the Board

**LAMMERSVILLE SCHOOLS FINANCE
AUTHORITY, as lessee**

By _____
Executive Director

Attest:

By _____
Secretary

APPENDIX A

DESCRIPTION OF THE LEASED PROPERTY

The Leased Property consists of that certain real property situated in the City of Tracy, County of San Joaquin, State of California, which is more particularly described as follows:

PARCEL ONE:

BEING ALL OF PARCEL H, AS SAID PARCEL H IS SHOWN AND SO DESIGNATED ON THE OFFICIAL MAP OF TRACT 3544, RECORDED NOVEMBER 8, 2006. IN BOOK 41 OF MAPS AND PLATS, AT PAGE 6, IN THE OFFICE OF THE COUNTY RECORDER OF SAN JOAQUIN COUNTY. MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHERN CORNER OF SAID PARCEL H; THENCE, FROM SAID POINT OF BEGINNING, ALONG THE BOUNDARY LINE OF SAID PARCEL H, THE FOLLOWING TEN (10) COURSES:

- 1) SOUTH 50°59'03" EAST 792.73 FEET,
- 2) SOUTH 40°35'16" WEST 676.97 FEET,
- 3) ALONG THE ARC OF A TANGENT 934.00 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 14°41'19", AN ARC DISTANCE OF 239.44 FEET,
- 4) ALONG THE ARC OF A REVERSE 16.00 FOOT RADIUS CURVE TO THE RIGHT, FROM WHICH THE CENTER OF SAID CURVE BEARS NORTH 64°06'03" WEST, THROUGH A CENTRAL ANGLE OF 86°43'18", AN ARC DISTANCE OF 24.22 FEET,
- 5) NORTH 67°22'45" WEST 206.86 FEET,
- 6) ALONG THE ARC OF A TANGENT 766.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 38°44'00", AN ARC DISTANCE OF 517.84 FEET,
- 7) NORTH 28°38'45" WEST 134.21 FEET,
- 8) ALONG THE ARC OF A TANGENT 16.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 86 13'38", AN ARC DISTANCE OF 24.08 FEET,
- 9) ALONG THE ARC OF A REVERSE 834.00 FOOT RADIUS CURVE TO THE LEFT, FROM WHICH THE CENTER OF SAID CURVE BEARS NORTH 32°25'07" WEST, THROUGH A CENTRAL ANGLE OF 18°02'55", AN ARC DISTANCE OF 262.71 FEET, AND
- 10) NORTH 39°31'58" EAST 536.19 FEET TO SAID POINT OF BEGINNING

APN: 256-500-03

PARCEL TWO: BEING ALL OF PARCEL B, AS SAID PARCEL B IS SHOWN AND DESIGNATED ON THAT CERTAIN TRACT MAP, NO. 3370, FILED SEPTEMBER 22, 2004 IN BOOK 39 OF MAPS AND PLATS AT PAGE 43, IN THE OFFICE OF THE COUNTY RECORDER OF SAN JOAQUIN COUNTY.

APN: 254-230-09