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# **LEASE AGREEMENT**

**by and between**

**SAN JACINTO UNIFIED SCHOOL DISTRICT**

**and**

**SAN JACINTO UNIFIED SCHOOL DISTRICT SCHOOL  
FACILITIES CORPORATION**

**Dated as of \_\_\_\_\_ 1, 2020**

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## LEASE AGREEMENT

**THIS LEASE AGREEMENT** (this "Lease Agreement"), dated as of \_\_\_\_\_ 1, 2020, is by and between the SAN JACINTO UNIFIED SCHOOL DISTRICT, a school district organized and existing under the laws of the State of California (the "District"), as lessee, and the SAN JACINTO UNIFIED SCHOOL DISTRICT SCHOOL FACILITIES CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), as lessor.

### WITNESSETH:

**WHEREAS**, in order to refinance the costs of the acquisition, construction, installation, improvement and equipping of certain schools and other capital facilities (the "Projects"), the District caused to be executed and delivered the San Jacinto Unified School District Certificates of Participation (2010 Refunding) (the "Prior Certificates");

**WHEREAS**, the Prior Certificates were executed and delivered pursuant to the Trust Agreement, dated as of February 1, 2010 (the "Prior Trust Agreement"), by and among U.S. Bank National Association, as trustee, the Corporation and the District;

**WHEREAS**, the Prior Certificates evidence direct, fractional undivided interests of the owners thereof in certain base rental payments to be made by the District pursuant to the Lease Agreement, dated as of February 1, 2010 (the "Prior Lease Agreement"), by and between the District and the Corporation;

**WHEREAS**, in order to achieve certain savings, the District desires to refinance the Projects by exercising its option to prepay the base base rental payments payable pursuant to the Prior Lease Agreement in order to cause the Prior Certificates to be prepaid;

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

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

**WHEREAS**, the District and the Corporation have determined that it would be in the best interests of the District and the Corporation to provide a portion of the funds necessary to prepay the Prior Certificates through the sale and delivery, pursuant to the Trust Agreement, dated as of the date hereof (the "Trust Agreement"), by and among U.S. Bank National Association, as trustee (the "Trustee"), the Corporation and the District, of the San Jacinto Unified School District Certificates of Participation (2020 Refunding) (the "Certificates") evidencing direct, fractional undivided interests in the base rental payments to be made by the District under this Lease Agreement; and

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

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

## ARTICLE I

### DEFINITIONS; RULES OF CONSTRUCTION

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

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

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

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

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

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

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

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

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

## ARTICLE II

### LEASE OF PROPERTY; TERM

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

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

**Section 2.02. Term; Occupancy.** (a) The term of this Lease Agreement shall commence on the Delivery Date and shall end on the Scheduled Termination Date, unless such term is extended or sooner terminated as hereinafter provided. If on the Scheduled Termination Date the Certificates shall not be fully paid, or provision therefor made in accordance with Article X of the Trust Agreement, or the Trust Agreement shall not be discharged by its terms, or if the Rental Payments shall remain due and payable or shall have been abated at any time and for any reason, then the term of this Lease Agreement shall be automatically extended until the date upon which all Certificates shall be fully paid, or provision therefor made in accordance with Article X of the Trust Agreement, and the Trust Agreement shall be discharged by its terms and all Rental Payments shall have been paid in full, except that the term of this Lease Agreement shall in no event be extended more than ten years beyond the Scheduled Termination Date. If prior to the Scheduled Termination Date, or prior to the date to which the term of this Lease Agreement has been extended pursuant to this Section, all Certificates shall be fully paid, or provision therefor made in accordance with Article X of the Trust Agreement, the Trust Agreement shall be discharged by its terms and all Rental Payments shall have been paid in full, the term of this Lease Agreement shall end simultaneously therewith.

(b) The District shall take possession of the Property on the Delivery Date.

## ARTICLE III

### RENTAL PAYMENTS

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

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

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

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

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

(b) all reasonable administrative costs of the Corporation relating to the Property including, but without limiting the generality of the foregoing, salaries, wages, fees and expenses, compensation and indemnification of the Trustee payable by the Corporation under the Trust Agreement, fees of auditors, accountants, attorneys or engineers, and all other necessary and reasonable administrative costs of the Corporation or charges required to be paid by it in order to maintain its existence or to comply with the



terms of the Trust Agreement or this Lease Agreement or to defend the Corporation and its members, directors, officers, agents and employees;

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

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

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

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

**Section 3.03. Fair Rental Value.** The parties hereto have agreed and determined that the Rental Payments are not in excess of the Fair Rental Value of the Property. In making such determination of Fair Rental Value, consideration has been given to the uses and purposes that may be served by the Property and the benefits therefrom that will accrue to the District and the general public. Payments of the Rental Payments for the Property during each Rental Period shall constitute the total rental for said Rental Period.

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

available amounts on deposit in the Base Rental Payment Fund, the Interest Fund or the Principal Fund.

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

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

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

## ARTICLE IV

### MAINTENANCE; ALTERATIONS AND ADDITIONS

**Section 4.01. Maintenance and Utilities.** Throughout the term of this Lease Agreement, as part of the consideration for rental of the Property, all improvement, repair and maintenance of the Property shall be the responsibility of the District, and the District shall pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the District or any assignee or sublessee thereof. In exchange for the Rental Payments, the Corporation agrees to provide only the Property.

**Section 4.02. Additions to Property.** Subject to Section 8.05 hereof, the District and any sublessee shall, at its own expense, have the right to make additions, modifications and improvements to the Property. To the extent that the removal of such additions, modifications or improvements would not cause material damage to the Property, such additions, modifications and improvements shall remain the sole property of the District or such sublessee, and neither the Corporation nor the Trustee shall have any interest therein. Such additions, modifications and improvements shall not in any way damage the Property or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is at least equal to the value of the Property immediately prior to the making of such additions, modifications and improvements.

**Section 4.03. Installation of District's Equipment.** The District and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the District or such sublessee, and neither the Corporation nor the Trustee shall have any interest therein. The District or such sublessee may modify or remove such equipment or other personal property at any time, provided that such party shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement shall prevent the District or any sublessee from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

## ARTICLE V

### INSURANCE

**Section 5.01. Property Casualty Insurance; Rental Interruption Insurance.** (a) The District shall maintain or cause to be maintained, throughout the term of this Lease Agreement, a standard comprehensive general liability insurance policy or policies in protection of the District, the Corporation and their respective members, directors, officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or ownership of the Property. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in a single accident or event, and in a minimum amount of \$500,000 for damage to property (subject to a deductible clause of not to exceed \$100,000) resulting from a single accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the District, and may be maintained in whole or in part in the form of self-insurance by the District, provided that such self-insurance complies with the provisions of Section 5.04 hereof. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid.

(b) The District shall maintain or cause to be maintained, throughout the term of this Lease Agreement, workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the California Labor Code, or any act enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the District in connection with the Property and to cover full liability for compensation under any such act. The District's obligations under this subsection may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of Section 5.04 hereof.

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

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

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

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

**Section 5.02. Title Insurance.** The District shall provide, at its own expense, one or more CLTA or ALTA title insurance policies for the Property, in the aggregate amount of not less than the initial aggregate amount of principal evidenced by the Certificates. Said policy or policies shall insure (a) the fee interest of the District in the Property, (b) the Corporation's ground leasehold estate in the Property under the Ground Lease, and (c) the District's leasehold estate hereunder in the Property, subject only to Permitted Encumbrances; provided, however, that one or more of said estates may be insured through an endorsement to such policy or policies. All Net Proceeds received under said policy or policies shall be deposited with the Trustee and applied as provided in Section 5.04 of the Trust Agreement. So long as any of the Certificates remain Outstanding, each policy of title insurance obtained pursuant hereto or required hereby shall provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Certificate Owners.

**Section 5.03. Additional Insurance Provision; Form of Policies.** (a) The District shall pay or cause to be paid when due the premiums for all insurance policies required by Section 5.01 hereof, and shall promptly furnish or cause to be furnished evidence of such payments to the Trustee. All such policies shall contain a standard lessee clause in favor of the Trustee and the general liability insurance policies shall be endorsed to show the Trustee as an additional insured. All such policies shall provide that the Trustee and the Insurer shall be given 30 days notice of the expiration thereof, any intended cancellation thereof or any reduction in the coverage provided thereby. The Trustee shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee; provided, however, that the Trustee shall not agree to any adjustment, compromise or settlement without the Insurer's written consent.

(b) The District shall cause to be delivered to the Trustee and the Insurer on or before August 15 of each year, commencing August 15, 2020, a schedule of the insurance policies being maintained in accordance herewith and a Written Certificate of the District stating that such policies are in full force and effect and that the District is in full compliance with the requirements of this Article. The District shall, upon request of the Insurer, deliver to the Insurer certificates or duplicate originals or certified copies of each insurance policy described in such schedule. The Trustee shall be entitled to rely upon said Written Certificate of the District as to the District's compliance with this Article. Neither the Trustee nor the Insurer shall be responsible for the sufficiency of coverage or amounts of such policies. All policies of insurance required by this Lease Agreement shall be in form satisfactory to the Insurer.

**Section 5.04. Self-Insurance.** Insurance provided through a California joint powers authority of which the District is a member or with which the District contracts for insurance shall

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

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

## ARTICLE VI

### DEFAULTS AND REMEDIES

**Section 6.01. Defaults and Remedies.** (a) (i) If the District shall fail (A) to pay any Rental Payment payable hereunder when the same becomes due and payable, time being expressly declared to be of the essence in this Lease Agreement, or (B) to keep, observe or perform any other term, covenant or condition contained herein, or in the Trust Agreement to be kept or performed by the District, or (ii) upon the happening of any of the events specified in subsection (b) of this Section, the District shall be deemed to be in default hereunder and it shall be lawful for the Corporation to exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement. In determining whether a default has occurred under clause (i)(A) of the preceding sentence, no effect shall be given to payments made under the Insurance Policy. The District shall in no event be in default in the observance or performance of any covenant, condition or agreement in this Lease Agreement on its part to be observed or performed, other than as referred to in clause (i)(A), or (ii) of the preceding sentence, unless the District shall have failed, for a period of 30 days or such additional time as is reasonably required, but in no event greater than 60 days without the prior written consent of the Insurer, to correct any such default after notice by the Corporation or the Insurer to the District properly specifying wherein the District has failed to perform any such covenant, condition or agreement. Upon any such default, the Corporation, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(1) To terminate this Lease Agreement in the manner hereinafter provided on account of default by the District, notwithstanding any re-entry or re-letting of the Property as hereinafter provided for in subparagraph (2) hereof, and to re-enter the Property and remove all persons in possession thereof and all personal property whatsoever situated upon the Property and place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the District. In the event of such termination, the District agrees to surrender immediately possession of the Property, without let or hindrance, and to pay the Corporation all damages recoverable at law that the Corporation may incur by reason of default by the District, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay Rental Payments or to deliver up possession of the Property given pursuant to law nor any entry or re-entry by the Corporation nor any proceeding in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property nor the appointment of a receiver upon initiative of the Corporation to protect the Corporation's interest under this Lease Agreement shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the District shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this Lease Agreement. The District covenants and agrees that no surrender of the Property or of the remainder of the term hereof or any

termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated by the Corporation by such written notice.

(2) Without terminating this Lease Agreement (x) to collect each installment of Rental Payments as the same become due and enforce any other terms or provisions hereof to be kept or performed by the District, regardless of whether or not the District has abandoned the Property, or (y) to exercise any and all rights of entry and re-entry upon the Property. In the event the Corporation does not elect to terminate this Lease Agreement in the manner provided for in subparagraph (1) hereof, the District shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the District and, if the Property is not re-let, to pay the full amount of the Rental Payments to the end of the term of this Lease Agreement or, in the event that the Property is re-let, to pay any deficiency in Rental Payments that results therefrom; and further agrees to pay said Rental Payments and/or Rental Payment deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of Rental Payments hereunder, notwithstanding the fact that the Corporation may have received in previous years or may receive thereafter in subsequent years Rental Payments in excess of the Rental Payments herein specified, and notwithstanding any entry or re-entry by the Corporation or suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property. Should the Corporation elect to re-enter as herein provided, the District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to re-let the Property, or any part thereof, from time to time, either in the Corporation's name or otherwise, upon such terms and conditions and for such use and period as the Corporation may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Property and to place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the District, and the District hereby indemnifies and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The District agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation to re-let the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-letting shall constitute a surrender or termination of this Lease Agreement irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Lease Agreement shall vest in the Corporation to be effected in the sole and exclusive manner provided for in subparagraph (1) hereof. The District further agrees to pay the Corporation the cost of any alterations or additions to the Property necessary to place the Property in condition for re-letting immediately upon notice to the District of the completion and installation of such additions or alterations.

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



for damages to or loss of any property belonging to the District, or any other person, that may be in or upon the Property.

(b) If (i) the District's interest in this Lease Agreement or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of the Corporation and the Insurer, as hereinafter provided for, (ii) the District or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the District asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the District's debts or obligations, or offers to the District's creditors to effect a composition or extension of time to pay the District's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the District's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the District, or if a receiver of the business or of the property or assets of the District shall be appointed by any court, except a receiver appointed at the instance or request of the Corporation, or if the District shall make a general assignment for the benefit of the District's creditors, or (iii) the District shall abandon or vacate the Property, then the District shall be deemed to be in default hereunder.

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

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

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

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

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

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

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

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

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

**Section 6.02. Waiver.** Failure of the Corporation to take advantage of any default on the part of the District shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Corporation to insist upon performance by the District of any term, covenant or condition hereof, or to exercise any rights given the Corporation on account of such default. A waiver of a particular default shall not be deemed to be a waiver of any other default or of the same default subsequently occurring. The acceptance of Rental Payments hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Lease Agreement.

**Section 6.03. Corporation Event of Default; Action on Corporation Event of Default.** The failure by the Corporation to observe and perform the covenants, agreements or conditions on its part contained in this Lease Agreement in Section 8.04, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Corporation, the Trustee and the Insurer, by the District, shall constitute a Corporation Event of Default under this Lease Agreement; provided, however, that if the Corporation shall fail to correct such failure within such 60 day period, the Insurer shall have 90 additional days to correct such failure on behalf of the Corporation prior to such failure constituting a Corporation Event of Default; and, provided further that if, in the reasonable opinion of the Corporation or the Insurer, as applicable, the failure stated in the notice can be corrected, but not within such 60 or 90 day period, such failure shall not constitute a Corporation Event of Default if corrective action is instituted by the Corporation or the Insurer within such 60 or 90 day period and the Corporation or the Insurer, as applicable, shall thereafter diligently and in good faith cure such failure in a reasonable period of time. In each and every case upon the occurrence and during the continuance of a Corporation Event of Default by the Corporation hereunder, the District shall have all the rights and remedies permitted by law. Notwithstanding anything to the contrary contained herein, the provisions of this Section shall not impair, restrict or limit the application of Section 3.06.

## ARTICLE VII

### EMINENT DOMAIN; PREPAYMENT

**Section 7.01. Eminent Domain.** If all of the Property (or portions thereof such that the remainder is not usable for public purposes by the District) shall be taken under the power of eminent domain, the term hereof shall cease as of the day that possession shall be so taken. If less than all of the Property shall be taken under the power of eminent domain and the remainder is usable for public purposes by the District at the time of such taking, then this Lease Agreement shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event there shall be a partial abatement of the Rental Payments in accordance with the provisions of Section 3.06 hereof. So long as any Certificates is Outstanding, any award made in eminent domain proceedings for the taking of the Property, or any portion thereof, shall be paid to the Trustee and applied to the prepayment of Certificates as provided in Sections 4.01 and 5.03 of the Trust Agreement. Any such award made after all of the Certificates, and all other amounts due under the Trust Agreement and hereunder, have been fully paid, shall be paid to the Corporation and to the District as their respective interests may appear.

**Section 7.02. Prepayment.** (a) The District may prepay all or a portion of the Base Rental Payments which are payable on or after September 1, 20\_\_, from any source of available funds, on any date on or after September 1, 20\_\_, by paying (i) all or a portion, as elected by the District, of the principal components of the Base Rental Payments, and (ii) the accrued but unpaid interest component of such Base Rental Payments to be prepaid to the date of such prepayment.

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

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

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

(e) Prepayments of Base Rental Payments made pursuant to this Section shall be applied to the prepayment of Certificates as provided in Section 4.01 of the Trust Agreement.

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

## ARTICLE VIII

### REPRESENTATIONS AND WARRANTIES; COVENANTS

**Section 8.01. Representations of the District.** The District represents and warrants that, as of the Delivery Date:

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

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

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

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

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

(f) the District has not received any notice from any insurance company that has issued a policy with respect to the Property or from the applicable state or local government agency responsible for insurance standards (or any other body exercising similar functions) requiring the performance of any repairs, alterations or other work, which repairs, alterations or other work have not been completed at the Property, respectively. The District has not received any notice of default or breach which has not been cured under any covenant, condition, restriction, right-of-way, reciprocal easement, agreement or other easement affecting the Property which is to be performed or complied with by it.

**Section 8.02. Representations of the Corporation.** The Corporation represents and warrants that the Corporation, as of the Delivery Date, has the full power and authority to enter into, to execute and to deliver this Lease Agreement, the Assignment Agreement and the Trust Agreement, and to perform all of its duties and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Lease Agreement, the Assignment Agreement and the Trust Agreement.

**Section 8.03. Right of Entry.** The Corporation shall have the right to enter upon and to examine and inspect the Property during reasonable business hours, and in emergencies at all times, for any reasonable purpose connected with the Corporation's rights or obligations under this Lease Agreement, and for all other lawful purposes. The Insurer shall have the right to enter upon and to examine and inspect the Property during reasonable business hours, and in emergencies at all times, for any reasonable purpose connected with the Insurer's rights or obligations under this Lease Agreement.

**Section 8.04. Quiet Enjoyment.** The District, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Lease Agreement peaceably and quietly have, hold and enjoy the Property without suit, trouble or hindrance from the Corporation.

**Section 8.05. Liens.** In the event the District shall at any time during the term of this Lease Agreement cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Property, the District shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the District in, upon or about the Property and that may be secured by a mechanics', materialmen's or other lien against the Property or the Corporation's interest therein, and shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due; provided, however, that if the District desires to contest any such lien, it may do so as long as such contest is in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the District shall forthwith pay and discharge said judgment.

**Section 8.06. Taxes.** (a) The District shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Corporation or affecting the Property or the respective interests or estates therein; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are required to be paid during the term of this Lease Agreement as and when the same become due.

(b) After giving notice to the Corporation, the Insurer and the Trustee, the District or any sublessee may, at the District's or such sublessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation, the Insurer or the Trustee shall notify the District or such sublessee that, in the opinion of independent counsel, by nonpayment

of any such items, the interest of the Corporation in the Property will be materially endangered or the Property, or any part thereof, will be subject to loss or forfeiture, in which event the District or such sublessee shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation, the Insurer and the Trustee.

**Section 8.07. Assignment and Subleasing.** Neither this Lease Agreement nor any interest of the District hereunder shall be sold, mortgaged, pledged, assigned or transferred by the District by voluntary act or by operation of law or otherwise; provided, however, that the Property may be subleased in whole or in part by the District with the prior written consent of the Corporation and the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy) and, provided, further, that, any such sublease shall be subject to all of the following conditions:

- (a) this Lease Agreement and the obligation of the District to make all Rental Payments hereunder shall remain the primary obligation of the District;
- (b) the District shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Trustee a true and complete copy of such sublease;
- (c) no such sublease by the District shall cause the Property to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State of California;
- (d) any sublease of the Property by the District shall explicitly provide that such sublease is subject to all rights of the Corporation under this Lease Agreement, including, the right to re-enter and re-let the Property or terminate this Lease Agreement upon a default by the District; and
- (e) the District shall furnish the Trustee with an Opinion of Counsel to the effect that such sublease will not, in and of itself, cause the interest evidenced by the Certificates to be included in gross income for federal income tax purposes.

**Section 8.08. Environmental Compliance.** (a) Neither the District nor the Corporation shall use or permit the Property or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Property and then only in compliance with all Environmental Regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee or agent, the storage, transportation, disposal or use of Hazardous Materials or the Release or threat of Release of Hazardous Materials on, from or beneath the Property or onto any other property, excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of school districts, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the Corporation or the District shall promptly commence and perform, or cause to be commenced and performed

promptly, without cost to the Trustee, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released on, from or beneath the Property or other property, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) of this Section and only to the extent necessary to maintain the improvements on the Property.

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

(c) Irrespective of whether any representation or warranty contained in Section 8.01 hereof is not true or correct, the Corporation and the District shall, to the extent permitted by law, defend, indemnify and hold harmless the Corporation, the Insurer and the Trustee and any director, member, officer, employee, successor or assignee thereof from and against any claims, demands, penalties, fines, attorneys' fees (including attorneys' fees incurred to enforce the indemnification contained in this Section), consultants' fees, investigation and laboratory fees, liabilities, settlements (five Insurance Business Days' prior notice of which the Corporation, the Insurer or the Trustee, as appropriate, shall have delivered to the District), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Property, (ii) any personal injury, including wrongful death, or property damage, real or personal, arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five Insurance Business Days' prior notice of which the Corporation, the Insurer or the Trustee, as appropriate, shall have delivered to the District), or governmental order relating to Hazardous Materials on, from or beneath the Property, (iv) any violation of Environmental Regulations or subsection (a) or (b) of this Section by the District or the Corporation or any of their agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that either the Corporation or the District is strictly liable under any Environmental Regulation, the District's obligation to the Corporation, the Insurer and the Trustee and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental



Regulation which results in liability to any indemnitee. The obligations and liabilities under this subsection shall survive the payment of all Certificates and the discharge of the Trust Agreement.

(d) The District shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

**Section 8.09. Condemnation.** So long as the Certificates are Outstanding, the District, to the extent it may lawfully so bind itself, shall not exercise the power of condemnation with respect to the Property. To the extent permitted by law, if for any reason the foregoing covenant is determined to be unenforceable or if the District shall fail or refuse to abide by such covenant and condemns the Property, the value of the District's leasehold estate hereunder in the Property shall be not less than the amount sufficient to pay the Base Rental Payments to the first date on which they may be prepaid pursuant to Section 7.02 and to prepay the Base Rental Payments on such date.

**Section 8.10. Other Obligations.** Except for the Certificates and Permitted Encumbrances, the District shall not, during the term of this Lease Agreement, issue or incur or cause to be executed and delivered, directly or indirectly, any additional certificates of participation, notes, bonds or other indebtedness that are either (a) payable from or secured by lease payments or rentals payable under this Lease Agreement, or (b) secured by, or granted a lien on, the Property.

**Section 8.11. Corporation Not Liable; Indemnification.** None of the Corporation, the Insurer and the Trustee and all directors, members, officers and employees thereof shall be liable to the District or to any other Person for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Property. To the extent permitted by law, the District shall, at its expense, indemnify and hold the Corporation, the Insurer and the Trustee and all directors, members, officers and employees thereof harmless against and from any and all claims by or on behalf of any Person arising from the acquisition, construction, occupation, use, operation, maintenance, possession, conduct or management of or from any work done in or about the Property or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Property or the occupancy or use thereof, but excepting the negligence or willful misconduct of the Person seeking indemnity. The District, at its expense, shall pay and indemnify and save the Corporation, the Insurer and the Trustee and all directors, members, officers and employees thereof harmless against and from any and all claims arising from (a) any condition of the Property and the adjoining sidewalks and passageways, (b) any breach or default on the part of the District in the performance of any covenant or agreement to be performed by the District pursuant to this Lease Agreement, (c) any act or negligence of licensees in connection with their use, occupancy or operation of the Property, or (d) any accident, injury or damage whatsoever caused to any person, firm or corporation in or about the Property or upon or under the sidewalks and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this Section, but excepting the negligence or willful misconduct of the Person seeking indemnity. In the event that any action or proceeding is brought against the Corporation, the Insurer or the Trustee or any director, member, officer or employee thereof, by

reason of any such claim, the District, upon notice from the Corporation, the Insurer or the Trustee or such director, member, officer or employee thereof, shall resist or defend such action or proceeding by counsel reasonably satisfactory to the Corporation, the Insurer or the Trustee or such director, member, officer or employee thereof.

Notwithstanding the fact that it is the intention of the parties that the Corporation, the Insurer and the Trustee and all directors, members, officers and employees thereof shall not incur any pecuniary liability by reason of the terms of this Lease Agreement, or the undertakings required of the Corporation hereunder or any director, member, officer or employee thereof, by reason of the execution and delivery of the Certificates, by reason of the execution or authorization of any document or certification in connection with the Certificates, including the Trust Agreement, this Lease Agreement or any preliminary or final official statement, by reason of the performance or nonperformance of any act required of any of them by this Lease Agreement or the Trust Agreement or by reason of the performance or nonperformance of any act requested of any of them by the District, the Corporation, the Insurer or the Trustee, including all claims, liabilities, damages, losses or expenses arising in connection with the violation of any statute or regulation pertaining to the foregoing; nevertheless, if the Corporation, the Insurer or the Trustee or any director, member, officer or employee thereof should incur any such pecuniary liability, then in such event the District shall indemnify and hold harmless the Corporation, the Insurer and the Trustee, and all directors, members, officers and employees thereof, against all claims by or on behalf of any Person arising out of the same, or in connection with any action or proceeding brought thereon, but excepting the negligence or willful misconduct of the Person seeking indemnity, and upon notice from the Corporation, the Insurer or the Trustee, the District shall defend the Corporation, the Insurer and the Trustee in any such action or proceeding. This Section shall survive the termination of this Lease Agreement for any claim, proceeding or action arising from any event or omission occurring during the term of this Lease Agreement.

**Section 8.12. Title to Property upon Termination.** Upon the termination or expiration of the term of this Lease Agreement, other than as provided in Sections 6.01 and 7.01 hereof, and the first date upon which the Certificates are no longer Outstanding, all right, title and interest in and to the Property shall vest in the District. Upon any such termination or expiration, the Corporation shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record.

## ARTICLE IX

### NO CONSEQUENTIAL DAMAGES; USE OF THE PROPERTY; SUBSTITUTION OR RELEASE

**Section 9.01. No Consequential Damages.** In no event shall the Corporation be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease Agreement or the District's use of the Property.

**Section 9.02. Use of the Property.** The District shall not use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Lease Agreement. In addition, the District shall comply in all respects, including with respect to the use, maintenance and operation of the Property, with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Property; provided, however, that the District may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Corporation, adversely affect the estate of the Corporation in and to any of the Property or its interest or rights under this Lease Agreement.

**Section 9.03. Substitution or Release of the Property.** The District shall have the right, but only with the written consent of the Insurer, to substitute alternate real property for any portion of the Property or to release a portion of the Property from this Lease Agreement pursuant to this Section. All costs and expenses incurred in connection with such substitution or release shall be borne by the District. Notwithstanding any substitution or release pursuant to this Section, there shall be no reduction in or abatement of the Base Rental Payments due from the District hereunder as a result of such substitution or release. Any such substitution or release of any portion of the Property shall be subject to the following specific conditions, which are hereby made conditions precedent to such substitution or release:

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

(b) the District shall have obtained or caused to be obtained a CLTA or an ALTA title insurance policy or policies with respect to any substituted property in the amount of the fair market value of such substituted property of the type and with the endorsements described in Section 5.02 hereof; provided, however, that such fair market value shall have been determined by an independent certified real estate appraiser selected by the District, which appraiser shall have delivered a certificate to the District, the Insurer and the Trustee setting forth its findings;

(c) the District shall have provided the Trustee with an Opinion of Counsel to the effect that such substitution or release will not, in and of itself, cause the interest

evidenced by the Certificates to be included in gross income for federal income tax purposes;

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

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

## ARTICLE X

### MISCELLANEOUS

**Section 10.01. Notices.** All written notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the District:	San Jacinto Unified School District 2045 South San Jacinto Avenue San Jacinto, California 92583 Attention: Assistant Superintendent, Business Services
If to the Corporation:	San Jacinto Unified School District School Facilities Corporation 2045 South San Jacinto Avenue San Jacinto, California 92583 Attention: Assistant Superintendent, Business Services
If to the Trustee:	U.S. Bank National Association 633 West Fifth Street, 24th Floor Los Angeles, California 90071 Attention: Global Corporate Trust Services
If to the Insurer:	Assured Guaranty Municipal Corp. 1633 Broadway New York, New York 10019 Attention: Managing Director – Surveillance Re: Policy No. [_____] -N and [_____] -R Telephone: (212) 974-0100 Telecopier: (212) 339-3556

In each case in which notice or other communication refers to an event of default, then a copy of such notice or other communication shall also be sent to the attention of the Deputy General Counsel – Public Finance of the Insurer and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

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

**Section 10.02. Net-Net-Net Lease.** This Lease Agreement shall be deemed and construed to be a “net-net-net lease” and the Rental Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-off whatsoever and notwithstanding any dispute between the District and the Corporation.

**Section 10.03. Amendments.** (a) This Lease Agreement and the Ground Lease, and the rights and obligations of the Corporation and the District hereunder and thereunder, may be amended at any time by an amendment hereto or thereto which shall become binding upon execution by the District and the Corporation, but only with the written consent of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy) and the Owners of a majority of the aggregate amount of principal evidenced by the Certificates then Outstanding, provided that no such amendment shall (i) extend the payment date of any Base Rental Payment, reduce the interest component or principal component of any Base Rental Payment or change the prepayment terms and provisions, without the prior written consent of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy) and the Owner of each Certificate so affected, or (ii) reduce the percentage of the aggregate amount of principal evidenced by the Certificates, the consent of the Owners of which is required for the execution of any amendment of this Lease Agreement or the Ground Lease without the prior written consent of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy) and the Owners of all the Certificates then Outstanding.

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

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

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

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

(iv) to provide for the substitution or release of a portion of the Property in accordance with the provisions of Section 9.03 hereof; or

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

**Section 10.04. Assignment to Trustee; Effect.** The District understands and agrees that, upon the execution and delivery of the Assignment Agreement, which is occurring simultaneously with the execution and delivery hereof, all right, title and interest of the Corporation in and to this Lease Agreement will be sold, assigned and transferred to the Trustee for the benefit of the Owners of the Certificates. The District hereby consents to such sale, assignment and transfer. Upon the execution and delivery of the Assignment Agreement, references in the operative provisions hereof to the Corporation shall be deemed to be references to the Trustee, as assignee of the Corporation.

**Section 10.05. Rights of Insurer.** As long as the Insurance Policy is in effect and the Insurer is not in default in respect of its payment obligations thereunder, the Insurer shall be deemed to be the sole and exclusive Owner of the Outstanding Certificates for purposes of all defaults and remedies; provided, however, that the Insurer shall not be deemed to be the sole and exclusive Owner of the Outstanding Certificates for purposes of all defaults and remedies, and shall not have the right to direct District, Corporation, Trustee or Owner action, during any period if:

(a) the Insurer shall fail to make any payment under the Insurance Policy when due and such failure shall continue for three Business Days;

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

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

**Section 10.06. Third-Party Beneficiary.** The Insurer is a third-party beneficiary of this Lease Agreement.

**Section 10.07. Validity and Severability.** If for any reason this Lease Agreement shall be held by a court of competent jurisdiction to be void, voidable or unenforceable by the Corporation or by the District, or if for any reason it is held by such a court that any of the covenants and conditions of the District hereunder, including the covenant to pay Rental Payments, is unenforceable for the full term hereof, then and in such event this Lease Agreement is and shall be deemed to be a Lease Agreement under which the Rental Payments are to be paid by the District annually in consideration of the right of the District to possess, occupy and use the Property, and all of the terms, provisions and conditions of this Lease Agreement, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

**Section 10.08. Governing Law.** This Lease Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

**Section 10.09. Execution in Counterparts.** This Lease Agreement may be simultaneously executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.



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

**SAN JACINTO UNIFIED SCHOOL  
DISTRICT**

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

**SAN JACINTO UNIFIED SCHOOL  
DISTRICT SCHOOL FACILITIES  
CORPORATION**

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

## EXHIBIT A

### MASTER DEFINITIONS

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

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

**“Assignment Agreement”** means the Assignment Agreement, dated as of \_\_\_\_\_ 1, 2020, by and between the Corporation and the Trustee, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

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

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

**“Authorized District Representative”** means the Superintendent of the District, the Assistant Superintendent, Business Services of the District and the Executive Director of Business Services of the District, and any other person authorized by the Board of Trustees of the District to act on behalf of the District under or with respect to the Trust Agreement.

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

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

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

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

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

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

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

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

**“Certificate Purchase Agreement”** means the Certificate Purchase Agreement, dated \_\_\_\_\_, 2019, by and between the Purchaser and the District relating to the Certificates.

**“Certificate Year”** means each twelve-month period beginning on September 1 in each year and extending to the next succeeding August 31, both dates inclusive, except that the first Certificate Year shall begin on the Delivery Date and end on August 31, 2020.

**“Certificates”** means the San Jacinto Unified School District Certificates of Participation (2020 Refunding), executed and delivered by the Trustee pursuant to the Trust Agreement.

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

**“Continuing Disclosure Agreement”** means the Continuing Disclosure Agreement, dated as of \_\_\_\_\_ 1, 2020, by and between the District and the Trustee, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

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

**“Corporation Event of Default”** means an event described as such in Section 6.03.

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

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

**“Defeasance Securities”** means (a) non-callable direct obligations of the United States of America (“United States Treasury Obligations”), (b) evidences of ownership of proportionate

interests in future interest and principal payments on United States Treasury Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Treasury Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated, (c) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (d) subject to the prior written consent of the Insurer, securities eligible for “AAA” defeasance under then existing criteria of S&P, or any combination thereof.

**“Delivery Date”** means \_\_\_\_\_, 2020.

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

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

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

**“Escrow Agreement”** means the Escrow Agreement, dated as of \_\_\_\_\_ 1, 2020, by and between the Escrow Bank and the District, relating to the Prior Certificates.

**“Escrow Bank”** means U.S. Bank National Association, as Prior Trustee and as escrow bank under the Escrow Agreement, and any successor thereto

**“Environmental Regulations”** means all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, “CERCLA”), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, “RCRA”), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, “Title III”), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, “CWA”), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, “CAA”) and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 et seq.) (together with the regulations promulgated thereunder, “TSCA”), and any state or local similar laws and regulations and any so-called local, state or federal “superfund” or “superlien” law.

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

**“Ground Lease”** means the Ground Lease, dated as of \_\_\_\_\_ 1, 2020, by and between the District and the Corporation, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof and of the Lease Agreement.

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

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

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

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

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

**“Insurer”** means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

**“Insurer Rate”** means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, at its principal office in the City of New York, New York, as its prime or base lending rate (the “Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3.0%, and (ii) the then applicable highest rate of interest evidenced by the Certificates, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. Interest at the Insurer Rate shall be computed on the basis of the actual days elapsed over a year of 360 days. In the event JPMorgan Chase Bank, ceases to announce its Prime Rate, the Prime Rate shall be the prime rate or base lending rate of such other bank, banking association or trust company as the Insurer, in its sole and absolute discretion, shall designate.

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

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

**“Interest Payment Date”** means March 1 and September 1 of each year commencing September 1, 2020.

**“Laws and Regulations”** means any applicable law, regulation, code, order, rule, judgment or consent agreement, including those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Property.

**“Lease Agreement”** means the Lease Agreement, dated as of \_\_\_\_\_ 1, 2020, by and between the District and the Corporation, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

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

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

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

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

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

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

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

**“Outstanding,”** means, with respect to the Certificates, as of any date, Certificates theretofore or thereupon being executed and delivered under the Trust Agreement, except (a) Certificates canceled by the Trustee or delivered to the Trustee for cancellation on or prior to such date, (b) Certificates in lieu of which other Certificates have been executed and delivered, or that

have been paid without surrender thereof pursuant to Section 2.10 of the Trust Agreement, and (c) Certificates paid or deemed to have been paid within the meaning of Section 10.02 of the Trust Agreement.

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

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

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

**“Permitted Encumbrances”** means, with respect to the Property, as of any particular time, (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the District may, pursuant to provisions of Section 8.06 of the Lease Agreement, permit to remain unpaid, (b) the Assignment Agreement, (c) the Lease Agreement, (d) the Ground Lease, (e) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law as normally would exist with respect to properties similar to the Property for the purposes for which it was acquired or is held by the District, (f) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions that exist of record as of the Delivery Date that the District certifies in writing will not affect the intended use of the Property or impair the security granted to the Trustee for the benefit of the Owners of the Certificates by the Trust Agreement and the Assignment Agreement, and (g) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Delivery Date that the District certifies in writing do not affect the intended use of the Property or impair the security granted to the Trustee for the benefit of the Owners of the Certificates by the Trust Agreement and the Assignment Agreement and to which the Corporation and the Insurer consents in writing.

**“Permitted Investments”** means the following:

(a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), and obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America (“Federal Securities);

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

project notes issued by the United States Department of Housing and Urban Development; and (vi) public housing notes and bonds guaranteed by the United States of America;

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

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

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

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

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

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

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

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



equal to at least 105% of the principal amount of the investment agreement within three days after each evaluation date, which shall be at least weekly, and

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

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

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

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

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

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

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

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

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

**“Preference Claim”** has the meaning ascribed to such term in Section 11.01(m) of the Trust Agreement.

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

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

**“Principal Office”** means the Trustee’s principal corporate trust office in St. Paul, Minnesota, or any other office designated by the Trustee.

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

**“Prior Certificates”** means the San Jacinto Unified School District Certificates of Participation (2010 Refunding), executed and delivered pursuant to the Prior Trust Agreement.

**“Prior Trust Agreement”** means the Trust Agreement, dated as of February 1, 2010, by and among U.S. Bank National Association, as trustee, the Corporation, and the District, relating to the Prior Certificates.

**“Prior Trustee”** means U.S. Bank National Association, as trustee under the Prior Trust Agreement, and any successor thereto.

**“Project”** consists of the acquisition, construction and installation of aquatic facilities.

**“Property”** means the real property described in Exhibit B to the Lease Agreement and any improvements thereto.

**“Purchaser”** means Stifel, Nicolaus & Company, Incorporated, as underwriter and purchaser of the Certificates pursuant to the Certificate Purchase Agreement.

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

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

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

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

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

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

**“Rental Period”** means the period from the Delivery Date through June 30, 2020 and, thereafter, the twelve-month period commencing on July 1 of each year during the term of the Lease Agreement.

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

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

**“Reserve Insurer”** means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

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

**“Reserve Requirement”** means, as of any date of calculation, an amount equal to the least of (a) “10% of the proceeds of the issue,” within the meaning of Section 148 of the Code, (b) the maximum amount of principal and interest evidenced by the Certificates coming due in any Certificate Year, and (c) 125% of the average amount of principal and interest evidenced by the Certificates coming due in each Certificate Year.

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

**“Scheduled Termination Date”** means September 1, 2040.

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

**“Trust Agreement”** means the Trust Agreement, dated as of \_\_\_\_\_ 1, 2020, by and among U.S. Bank National Association, as trustee, the Corporation and the District, as originally

executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

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

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

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

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

## **EXHIBIT B**

### **DESCRIPTION OF THE PROPERTY**

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

#### **ESTUDILLO AND NORTH MOUNTAIN SCHOOL SITES:**

##### **PARCEL 1:**

LOTS 6, 7, 9 AND B OF THE KUMLER RANCH TRACT ADDITION, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 51 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; SAID LOT B WAS VACATED BY ORDER OF THE BOARD OF SUPERVISORS OF SAID RIVERSIDE COUNTY, BY RESOLUTION OF SAID BOARD RECORDED JUNE 16, 1920 IN BOOK 530, PAGE 361 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO, ALL THAT PORTION OF LOT 8 OF SAID KUMLER RANCH TRACT ADDITION LYING NORTHERLY OF THE NORTHERLY LINE OF FIRST STREET AND SOUTHERLY OF THE SOUTHERLY LINE OF SEVENTH STREET, AS SHOWN ON SAID MAP.

APNS: 433-180-022-1, 433-180-023-2, 433-180-024-3 and a portion of 433-180-028-7 and 433-180-030-8

##### **PARCEL 2:**

THAT PORTION OF LOT 15 OF H.T. HEWITT'S PLAT OF SAN JACINTO, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 386 OF MAPS, SAN DIEGO COUNTY RECORDS, AND ALSO THAT PORTION OF LOT 15 1/2 AS SHOWN BY MAP OF RESURVEY OF A PORTION OF SAID PLAT, ON FILE IN BOOK 4, PAGE 13 OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS, DESCRIBED BY METES AND BOUNDS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF FARM LOT 14 OF SAID H.T. HEWITT'S PLAT OF SAN JACINTO;

THENCE NORTHERLY ON THE EAST LINE OF SAID LOT 14 TO A POINT DISTANT 6.82 CHAINS NORTH FROM THE CENTER LINE OF FIRST STREET, AS SHOWN ON SAID MAP;

THENCE EASTERLY PARALLEL WITH THE NORTH LINE OF SAID LOTS 15 AND 15 1/2, 7.33 CHAINS, MORE OR LESS, TO THE EAST LINE OF SAID LOT 15 1/2;

THENCE SOUTHERLY ON SAID EAST LINE OF SAID LOT 15 1/2 TO THE SOUTHEAST CORNER OF SAID LOT 15 1/2;

THENCE WESTERLY ON THE SOUTH LINE OF SAID LOTS 15 AND 15 1/2, 7.33 CHAINS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF LOT 15 OF H.T. HEWITT'S PLAT OF SAN JACINTO AS SHOWN BY MAP ABOVE MENTIONED, BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF LOT 14 WITH THE CENTER LINE OF FIRST STREET;

THENCE NORTHERLY ALONG SAID EAST LINE OF LOT 14, A DISTANCE OF 50 FEET;

THENCE EASTERLY PARALLEL WITH SAID CENTER LINE OF FIRST STREET, A DISTANCE OF 30 FEET;

THENCE SOUTHERLY PARALLEL WITH SAID EASTERLY LINE OF LOT 14, A DISTANCE OF 50 FEET TO THE CENTER LINE OF FIRST STREET;

THENCE WESTERLY ALONG SAID CENTER LINE OF FIRST STREET, A DISTANCE OF 30 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN SHAVER STREET.

SAID PROPERTY IS ALSO SHOWN AS PARCELS 1 AND 2 OF RECORD OF SURVEY, ON FILE IN BOOK 58, PAGE 56 OF RECORDS OF SURVEY, RIVERSIDE COUNTY RECORDS.

APNS: 433-180-007-8 and 433-180-008-9

**PARCEL 3:**

THAT PORTION OF LOT 18 OF H.T. HEWITT'S PLAT OF SAN JACINTO, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 386 OF MAPS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 18;

THENCE EAST ALONG THE NORTHERLY LINE OF SAID LOT, A DISTANCE OF 101.74 FEET; THENCE SOUTH 0° 14' 19" EAST, A DISTANCE OF 277.19 FEET;

THENCE SOUTH 67° 54' 58" EAST, A DISTANCE OF 300.95 FEET;

THENCE WEST, A DISTANCE OF 380.14 FEET, MORE OR LESS TO THE WEST BOUNDARY LINE OF SAID LOT 18;

THENCE NORTH 0° 15' WEST ON THE WEST BOUNDARY LINE OF SAID LOT 18, A DISTANCE OF 391.52 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN SEVENTH STREET.

APNS: A portion of 433-180-028-7 and 433-180-030-8

**PARCEL 4:**

THAT PORTION OF LOT 18 OF H.T. HEWITT'S PLAT OF SAN JACINTO, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 386 OF MAPS, RECORDS OF SAN DIEGO, CALIFORNIA, PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF FIRST STREET, NOW KNOWN AS SHAVER STREET AND MOUNTAIN AVENUE, AS SHOWN BY H.T. HEWITT'S PLAT OF SAN JACINTO, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 386 OF MAPS, RECORDS OF SAN DIEGO, CALIFORNIA; SAID INTERSECTION OF SAID CENTER LINES IS MARKED BY AN IRON PIPE 1/2" X 16';

THENCE WEST ON THE CENTER LINE OF SAID FIRST STREET, 121.22 FEET TO A POINT IN THE WEST BOUNDARY LINES (PRODUCED SOUTH TO THE CENTER OF THE STREET) OF LOT 18 IN SAID HEWITT'S PLAT;

THENCE NORTH 0° 15' WEST ON THE WEST BOUNDARY LINE OF SAID LOT 18, A DISTANCE OF 510.28 FEET TO A POINT;

THENCE EAST 380.14 FEET TO A POINT;

THENCE SOUTH 67° 54' 58" EAST A DISTANCE OF 126.92 FEET TO A POINT;

THENCE SOUTH 22° 18' WEST 639.90 FEET TO THE CENTER LINE OF MOUNTAIN AVENUE;

THENCE NORTH 45° 06' WEST ON THE CENTER LINE OF MOUNTAIN AVENUE, 182.55 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN SHAVER STREET AND MOUNTAIN AVENUE.

APN: 433-180-033-1

**PARCEL 5:**

THAT PORTION OF LOT 18 OF H.T. HEWITT'S PLAT OF SAN JACINTO, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 386 OF MAPS, RECORDS OF SAN DIEGO, CALIFORNIA, PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AS A POINT ON THE CENTER LINE OF MOUNTAIN AVENUE, WHICH BEARS SOUTH 45° 06' EAST

182.55 FEET FROM THE INTERSECTION OF SAID CENTER LINE OF FIRST STREET, AS SHOWN ON SAID MAP; THENCE NORTH 22° 18' EAST 639.90 FEET;

THENCE SOUTH 67° 54' 58" EAST 230.91 FEET;

THENCE SOUTH 22° 18' WEST 735.41 FEET, MORE OR LESS, TO THE CENTER LINE OF MOUNTAIN AVENUE;

THENCE NORTH 45° 06' WEST, ALONG THE CENTER LINE OF MOUNTAIN AVENUE, 250 FEET, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION IN MOUNTAIN AVENUE, AS SHOWN ON SAID MAP.

APN: 433-180-035-3

**PARCEL 6:**

LOT 10 OF THE KUMLER RANCH TRACT ADDITION, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 51 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPTING FROM SAID LOT 10 THE SOUTHERLY 270 FEET EXCEPTED IN THE DEED FROM THE EASTERN MUNICIPAL WATER DISTRICT RECORDED NOVEMBER 7, 1988 AS INSTRUMENT NO. 325090 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM SAID LOT 10 THE WESTERLY 159.40 FEET DESCRIBED IN THE DEED TO THE EASTERN MUNICIPAL WATER DISTRICT RECORDED MARCH 27, 1997 AS INSTRUMENT NO. 102213 OF OFFICIAL RECORDS.

APN: 433-180-036-4 (PORTION)

**PARCEL 7:**

THE SOUTHERLY 240.0 FEET OF LOT 10 OF THE KUMLER RANCH TRACT ADDITION, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 51 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

THE SOUTHERLY LINE OF SAID LOT 10 BEING THE NORTHERLY RIGHT OF WAY LINE OF FIRST STREET (CURRENTLY KNOWN AS SHAVER STREET) AND THE NORTHERLY LINE OF SAID LOT 10 BEING THE SOUTHERLY RIGHT OF WAY LINE OF SEVENTH STREET, AS SAID STREETS APPEAR ON SAID MAP OF THE KUMLER RANCH TRACT ADDITION.

EXCEPT FROM SAID LOT 10 THE WESTERLY 159.40 FEET DESCRIBED IN THE DEED TO THE EASTERN MUNICIPAL WATER DISTRICT RECORDED MARCH 27, 1997 AS INSTRUMENT NO. 102213 OF OFFICIAL RECORDS.

APN: 433-180-036-4 (PORTION)

**PARCEL 8:**

ALL THAT PORTION OF LOT 15 OF H.T. HEWITT'S PLAT OF SAN JACINTO, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN



BOOK 8 PAGE 386 OF MAPS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA,  
MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY EXTENSION OF THE  
WESTERLY LINE OF SAID LOT 15, WITH THE CENTER LINE OF FIRST STREET, AS  
SHOWN ON SAID MAP;

THENCE NORTH ALONG SAID WEST LINE 50 FEET;

THENCE EAST AND PARALLEL WITH SAID CENTER LINE OF FIRST STREET, 30  
FEET;

THENCE SOUTH AND PARALLEL WITH SAID WEST LINE OF LOT 15, 50 FEET TO  
THE CENTER LINE OF FIRST STREET;

THENCE WEST ALONG SAID CENTER LINE, 30 FEET TO THE POINT OF BEGINNING;  
EXCEPTING THEREFROM THAT PORTION THEREOF INCLUDED IN SAID FIRST  
STREET;

SAID PROPERTY IS ALSO SHOWN AS A PORTION OF LOT 4 ON MAP SHOWING THE  
RESUBDIVISION OF LOTS 15 AND 18 H.T. HEWITT'S PLAT OF SAN JACINTO ON FILE  
IN BOOK 4 PAGE 13 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY,  
CALIFORNIA.

APN: 433-180-025-4

[End of Legal Description]

## EXHIBIT C

### BASE RENTAL PAYMENT SCHEDULE

Interest Payment Date	Principal Component	Interest Component	Total Base Rental Payment
September 1, 2020			
March 1, 2021			
September 1, 2021			
March 1, 2022			
September 1, 2022			
March 1, 2023			
September 1, 2023			
March 1, 2024			
September 1, 2024			
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September 1, 2040			