

RECORDING REQUESTED BY:
Coronado Unified School District

WHEN RECORDED RETURN TO:
Dannis Woliver Kelley
275 Battery Street, Suite 1150
San Francisco, California 94111
Attn: Jocelyn Pietsch

LEASE PURCHASE AGREEMENT

By and between

CORONADO UNIFIED SCHOOL DISTRICT

and the

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA

Dated as of June 1, 2020

This recording is exempt from recording fees pursuant to California Government Code section 27383. This transfer is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code section 11922.

TABLE OF CONTENTS

Page

Article I.	DEFINITIONS; OTHER PROVISIONS OF GENERAL APPLICABILITY	1
Section 1.01	Definitions.	1
Section 1.02	Notices.	5
Section 1.03	Successors and Assigns.	5
Section 1.04	Benefits of Agreement.	5
Section 1.05	Amendments.	5
Section 1.06	Effect of Headings and Table of Contents.	5
Section 1.07	Validity and Severability.	6
Section 1.08	Governing Law.	6
Section 1.09	Execution in Counterparts.	6
Article II.	REPRESENTATIONS OF CORPORATION AND DISTRICT	6
Section 2.01	Representations of Corporation.	6
Section 2.02	Representations of District.	8
Article III.	LEASE OF FACILITIES	10
Section 3.01	Lease of Facilities.	10
Section 3.02	Lease Term; Occupancy.	10
Section 3.03	Modifications to the Facilities.	10
Section 3.04	Title to the Facilities.	11
Section 3.05	Substitution of Leased Property.	10
Article IV.	RENTAL PAYMENTS	12
Section 4.01	Rental Payments.	12
Section 4.02	Allocation of Rental Payment.	13
Section 4.03	No Offsets.	13
Section 4.04	Net Lease.	13
Section 4.05	Covenant to Budget and Appropriate.	13
Section 4.06	Abatement of Rental.	13
Section 4.07	Contributions/Advances.	15
Section 4.08	Prepayment.	15
Section 4.09	Prepayment from Insurance or Eminent Domain.	15
Article V.	COVENANTS	16
Section 5.01	Quiet Enjoyment.	16
Section 5.02	Right of Entry.	16
Section 5.03	Maintenance of the Facilities by the District.	16
Section 5.04	Taxes and Other Governmental Charges.	16
Section 5.05	Liens.	17
Section 5.06	Environmental Covenants. Compliance with Laws; No Hazardous Substances.	17
Section 5.07	Assignment and Subleasing.	19
Section 5.08	District Consent to Assignment.	19
Section 5.09	Corporation's Disclaimer of Warranties.	20
Section 5.10	Corporation and Lender not Liable; Indemnification of the Corporation and the Lender.	21
Section 5.11	Federal Income Tax Covenants.	21
Section 5.12	Further Assurances.	21
Section 5.13	Financial Statements.	21

Article VI. ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE PROJECT..... 22
 Section 6.01 Payment of Project Costs and Delivery Costs..... 22
 Section 6.02 Compliance with Law. 22
 Section 6.03 Further Assurances and Corrective Instruments..... 22

Article VII. INSURANCE; EMINENT DOMAIN 22
 Section 7.01 Insurance Covenant..... 22
 Section 7.02 Alternative Risk Management. 24
 Section 7.03 General Insurance Provisions. 24
 Section 7.04 Advances..... 25
 Section 7.05 Damage, Destruction, and Condemnation. 25

Article VIII. DEFAULT AND REMEDIES 26
 Section 8.01 Events of Default..... 26
 Section 8.02 Remedies on Default..... 27
 Section 8.03 No Acceleration. 30
 Section 8.04 No Remedy-Exclusive..... 30
 Section 8.05 Corporation Defaults; District Remedies. 30
 Section 8.06 Attorneys' Fees. 31
 Section 8.07 No Additional Waiver..... 31
 Section 8.08 Application of Amounts Collected. 31

EXHIBIT A SEMI-ANNUAL LEASE PAYMENT SCHEDULEA-1

EXHIBIT B DESCRIPTION OF THE FACILITIESB-1

EXHIBIT C GENERAL DESCRIPTION OF THE PROJECTC-1

LEASE PURCHASE AGREEMENT

This Lease Purchase Agreement is dated as of June 1, 2020, and is entered into by and between the Public Property Financing Corporation of California (the "Corporation"), a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessor, and the Coronado Unified School District (the "District"), a unified school district and political subdivision duly organized and validly existing under and by virtue of the laws of the State of California, as lessee.

WITNESSETH:

WHEREAS, the Education Code of the State of California authorizes the District to enter into leases and agreements relating to real property and facilities and improvements to be used by the District; and

WHEREAS, the Corporation and the District wish to provide financing for facility construction, repairs and improvements and technology acquisitions and upgrades, all as described in Exhibit C hereto (collectively, the "Project") by entering into this Lease Purchase Agreement (the "Lease Purchase Agreement");

WHEREAS, the District has entered into a Site Lease of even date herewith (the "Site Lease") with the Corporation under which the District has agreed to lease the real property and improvements described in Exhibit B hereto (the "Facilities") to the Corporation, and which Site Lease provides that the title to the Facilities shall vest in the District at the expiration of the Site Lease, and contains other terms and conditions as the District deems to be in its best interest; 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 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 Purchase Agreement;

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

**ARTICLE I.
DEFINITIONS; OTHER PROVISIONS OF GENERAL APPLICABILITY**

Section 1.01 Definitions. For all purposes of this Lease Purchase Agreement and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires:

(A) The terms defined in this Section shall have the meanings herein specified and include the plural as well as the singular.

(B) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

(C) All references herein to "generally accepted accounting principles" refer to such principles as they exist at the date of applicability thereof.

(D) All references herein to "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Lease Purchase Agreement as originally executed.

(E) The words "herein," "hereof," "hereby," "hereunder," and other words of similar import refer to this Lease Purchase Agreement as a whole and not to any particular Article, Section, or other subdivision.

(F) Words of any gender shall mean and include words of all other genders.

Applicable Environmental Laws means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 USC Sections 9601 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 USC Sections 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sections 1251 et seq.; the Clean Air Act, 42 USC Sections 7401 et seq.; the Emergency Planning and Community Right-to-Know Act ("Title III"), 42 U.S.C. Section 11001, et seq.; the Clean Water Act ("CWA"), 33 U.S.C. Section 1321 et seq.; the California Hazardous Waste Control Law ("HWCL"), California Health & Safety Code Sections 25100 et seq.; the Hazardous Substance Account Act ("HSAA"), California Health & Safety Code Sections 25300 et seq.; the Porter-Cologne Water Quality Control Act (the "Porter-Cologne Act"), California Water Code Sections 13000 et seq.; the Air Resources Act, California Health & Safety Code Sections 39000 et seq.; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code, Sections 25249.5 et seq.; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. Section 2601 et seq.; the Asbestos Hazard Emergency Response Act ("AHERA") and; and any other local, state, and/or federal laws or regulations, and any so-called local, state, or federal "superfund" or "superlien" law, in case, as each of the foregoing may be amended and in each case including the regulations under each of the foregoing, whether currently in existence or hereafter enacted, that govern:

- (1) the existence, cleanup, and/or remedy of contamination on property;
- (2) the protection of the environment from spilled, deposited, or otherwise emplaced contamination;
- (3) the control of hazardous wastes: or
- (4) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

Assignment Agreement means the Assignment Agreement, dated as of June 1, 2020, between the Corporation and the Lender pursuant to which the Corporation assigns all of its rights under the Site Lease and the Lease Purchase Agreement to the Lender.

Business Day means any day other than a Saturday, Sunday, or a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed.

Code means the Internal Revenue Code of 1986, as amended, and the regulations applicable to or issued thereunder.

Corporation means the Public Property Financing Corporation of California or its successors or assigns as lessee under the Site Lease and lessor hereunder.

County means the Office of the Treasurer–Tax Collector, San Diego County, California.

District means the Coronado Unified School District.

Effective Interest Rate means the annual rate of interest specified on **Exhibit A**.

Event of Default means any of the events specified in Section 8.01 herein.

Facilities means the real property described in **Exhibit C** attached to this Lease Purchase Agreement together with all present and future improvements located thereon and furniture and fixtures installed or located therein.

Fair Rental Value means, with respect to the Facilities, the annual fair rental value thereof or fair rental value thereof for the rental period, as applicable.

Fiscal Year means the period beginning on July 1 of each year and ending on the next succeeding June 30 or any other twelve-month period hereafter selected and designated as the official fiscal year period of the District.

Funding Date means the date payment is made by or on behalf of the Corporation to or for the account of the District under the Site Lease.

Hazardous Substance means any substance that shall, at any time, be listed as hazardous, toxic, including but not limited to flammable explosives, polychlorinated biphenyl compounds, heavy metals, lead paint, chlorinated solvents, cyanide, radon, petroleum products, asbestos, methane, radioactive materials, pollutants or regulated substances, or related materials in any Applicable Environmental Law or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the Facilities, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 2011 et seq.).

Insurance Consultant means any independent person having experience in consulting on the insurance requirements of governmental entities of the general size and character of the District, selected by the District.

Lease Purchase Agreement means this Lease Purchase Agreement by and between the Corporation and the District, dated as of June 1, 2020, wherein the Corporation leases the Facilities to the District, as originally executed and as it may from time to time be supplemented, modified, or amended pursuant to the provisions hereof.

Lender means Sterling National Bank, or its successors or assigns as assignee of the Corporation under the Assignment Agreement.

Net Proceeds means the amount remaining from the gross proceeds of any insurance claim (including the proceeds of any self-insurance) or condemnation award made in connection with the Facilities, after deducting all expenses (including attorneys' fees) incurred in the collection of such claim or award.

Opinion of Counsel means a written opinion of a law firm experienced in matters relating to obligations the interest on which is excluded from gross income for federal income tax purposes, selected by the District.

Payment Dates mean June 1 and December 1 in each year, commencing June 1, 2021.

Permitted Encumbrances means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent; (b) the Site Lease, this Lease Purchase Agreement and the Assignment Agreement; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (d) the exceptions disclosed in the title insurance policy required by Section 7.1 with respect to the Facilities issued as of the Funding Date which the District certifies in writing to the Lender will not interfere with the District's beneficial use and enjoyment of, or otherwise adversely affect the intended use of, the Facilities, or adversely affect the rights and interests of Lender under this Lease Purchase Agreement, the Site Lease or the Assignment Agreement; (e) any easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Funding Date and which the District certifies in writing to Lender will not interfere with the District's beneficial use and enjoyment of, or otherwise adversely affect the intended use of, the Facilities, or adversely affect the rights and interests of Lender under this Lease Purchase Agreement, the Site Lease, or the Assignment Agreement and to which the Lender consents in writing.

Person means a natural person, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

Project means the Project described in **Exhibit C** hereto to be financed with the proceeds of the Lease.

Project Cost Fund means the fund by that name held by the County.

Rental Payments means the Rental Payments payable by the District pursuant to the provisions of this Lease Purchase Agreement, as set forth on Exhibit A hereto.

Site Lease means the Site Lease by and between the District and the Corporation, dated as of June 1, 2020, wherein the District leases the Facilities to the Corporation, as originally executed and as it may from time to time be supplemented, modified, or amended pursuant to the provisions hereof and thereof.

Special Counsel means (a) Dannis Woliver Kelley, San Diego, California, or (b) any other attorney or firm of attorneys acceptable to the Lender of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income for federal income tax purposes.

State means the State of California.

Statement, Certificate, Request, Requisition, and Order of the District mean, respectively, a written statement, certificate, request, requisition, or order signed in the name of the District by the Superintendent, Assistant Superintendent, or any other person authorized by the District to execute such instruments. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument

with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Tax Certificate means the tax certificate delivered by the District at the time of the execution and delivery of this Lease Purchase Agreement, as the same may be further amended or supplemented in accordance with its terms.

Section 1.02 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to:

District: Coronado Unified School District
201 Sixth Street
Coronado, California 92118
Attention: Assistant Superintendent

Corporation: Public Property Financing Corporation of California
2945 Townsgate Road, Suite 200
Westlake Village, California 91361
Attention: Secretary

Lender: Sterling National Bank
500 Seventh Avenue, 3rd Floor
New York, New York 10018
Attention: Public Sector Finance

The District, the Corporation, and the Lender may, by notice given hereunder, designate any further or different address to which subsequent notices shall be sent.

Section 1.03 Successors and Assigns. Whenever in this Lease Purchase Agreement either the District, the Corporation, or the Lender is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Lease Purchase Agreement contained by, on behalf of, or for the benefit of the District, the Corporation, or the Lender shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 1.04 Benefits of Agreement. Subject to Section 1.03 above, nothing in this Lease Purchase Agreement expressed or implied is intended or shall be construed to give to any person other than the District, the Corporation and the Lender any legal or equitable right, remedy, or claim under or in respect of this Lease Purchase Agreement or any covenant, condition, or provision therein or herein contained; and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Corporation, and the Lender as the Corporation's assignee, and their successors and assigns.

Section 1.05 Amendments. This Lease Purchase Agreement may be altered, amended, or modified in writing as may be mutually agreed by the Corporation and the District, subject to the prior written approval of the Lender.

Section 1.06 Effect of Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof,

shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Lease Purchase Agreement.

Section 1.07 Validity and Severability. If anyone or more of the provisions contained in this Lease Purchase Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Lease Purchase Agreement and such invalidity, illegality, or unenforceability shall not affect any other provision of this Lease Purchase Agreement, and this Lease Purchase Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District and the Corporation hereby declare that they would have entered into this Lease Purchase Agreement and each and every other Section, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Lease Purchase Agreement may be held illegal, invalid, or unenforceable.

Section 1.08 Governing Law. This Lease Purchase Agreement shall be interpreted and governed under the laws of the State without reference to California conflicts of laws principles.

Section 1.09 Execution in Counterparts. This Lease Purchase Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

ARTICLE II. REPRESENTATIONS OF CORPORATION AND DISTRICT

Section 2.01 Representations of Corporation. The Corporation represents and covenants for the benefit of the District and Lender as follows:

(A) Valid Existence. The Corporation has been duly organized and is validly existing as a nonprofit public benefit corporation under the laws of the State of California.

(B) Power to Enter into Agreements. The Corporation is authorized under the terms of its articles of incorporation to enter into the Site Lease, this Lease Purchase Agreement, and the Assignment Agreement and perform all of its obligations thereunder and hereunder.

(C) Due Authorization and Execution. This Lease Purchase Agreement, the Site Lease, and the Assignment Agreement have been duly authorized by all necessary action on the part of the Corporation. The representatives executing this Lease Purchase Agreement, the Site Lease and the Assignment Agreement are fully authorized to execute and same under official action taken by the Board of Directors of the Corporation.

(D) Enforceability of Agreements. The Corporation represents, covenants, and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability of the Site Lease, this Lease Purchase Agreement, and the Assignment Agreement (except as such enforceability may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and by the application of equitable principles).

(E) No Violation of Law or Breach of Contract. The execution and delivery of the Site Lease, this Lease Purchase Agreement, and the Assignment Agreement and compliance with the provisions thereof and hereof will not (i) violate any applicable provision of statutory law or regulation, (ii) breach or otherwise violate any existing obligation of the Corporation under any court order or administrative decree to which the Corporation is subject, or (iii) breach, or result in a default under, any loan agreement, note, resolution, indenture, contract, agreement, mortgage, deed of trust, lease or other instrument to which the Corporation is a party or is otherwise subject or bound.

(F) No Adverse Litigation. No litigation is pending before any court or administrative agency or, to the knowledge of the Corporation, threatened against the Corporation (i) regarding the Facilities or the Corporation's use of the Facilities for the purposes contemplated by the Site Lease, this Lease Purchase Agreement, and the Assignment Agreement or (ii) that will materially adversely affect the ability of the Corporation to perform its obligations under the Site Lease, this Lease Purchase Agreement, and the Assignment Agreement.

(G) No Consent or Approval. No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with any governmental or regulatory authority, is necessary in connection with the execution and delivery of the Site Lease, this Lease Purchase Agreement or the Assignment Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(H) Role of the Lender. The Corporation acknowledges that: (a) the Lender is acting in this financing transaction solely for its own account and not as a fiduciary for the Corporation or in the capacity of broker, dealer, municipal securities underwriter, placement agent, or municipal advisor; (b) the Lender has not provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of the Corporation with respect to this

financing; and (c) the Corporation has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the financing transaction from its financial, legal, and other advisors (and not the Lender) to the extent that the Corporation desired to obtain such advice.

Section 2.02 Representations and Covenants of District. The District hereby represents and covenants to the Corporation and Lender as follows:

(A) Valid Existence. The District has been duly organized and is validly existing as a school district under the laws of the State.

(B) Power to Enter into Agreements. The District is authorized under the California Education Code to enter into the Site Lease and this Lease Purchase Agreement and perform all of its obligations thereunder and hereunder.

(C) Due Authorization. The Site Lease and this Lease Purchase Agreement have been duly authorized by all necessary action on the part of the District. . The representatives of the District executing the Site Lease and this Lease Purchase Agreement are fully authorized to execute the same under official action taken by the District.

(D) Enforceability of Agreements. The District represents, covenants, and warrants that the Site Lease and this Lease Purchase Agreement are valid and binding obligations of the District, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the application of equitable principles.

(E) No Violation of Law or Breach of Contract. The execution and delivery of the Site Lease and this Lease Purchase Agreement and compliance with the provisions thereof and hereof will not (i) violate any applicable provision of statutory law or regulation, (ii) breach or otherwise violate any existing obligation of the District under any court order or administrative decree to which the District is subject, or (iii) breach, or result in a default under, any loan agreement, note, resolution, indenture, contract, agreement, mortgage, deed of trust, lease or other instrument to which the District is a party or is otherwise subject or bound.

(F) No Adverse Litigation. No litigation is pending before any court or administrative agency or, to the knowledge of the District, threatened against the District (i) regarding the Facilities or the District's use of the Facilities for the purposes contemplated by the Site Lease or the Lease Purchase Agreement or (ii) that will materially adversely affect the ability of the District to perform its obligations under the Site Lease and the Lease Purchase Agreement.

(G) No Defaults. The District has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any financing lease of the same general nature as this Lease Purchase Agreement, or under any of its bonds, notes, or other debt obligations.

(H) Fee Title; Encumbrances. The District is the owner in fee of title to the Facilities subject only to Permitted Encumbrances. No lien or encumbrance on the Facilities materially impairs the District's use of the Facilities for the purposes for which they are, or may reasonably be expected to be, held. The District will not

make, do, execute or suffer, any act or thing whereby the District's interest in the Facilities shall or may be impaired, changed or encumbered in any manner whatsoever except as permitted by this Lease. The Site Lease and this Lease Purchase Agreement are the only leases that encumber the Facilities.

(I) Use of the Facilities. During the term of this Lease Purchase Agreement, the Facilities will be used by the District only for the purpose of performing one or more governmental or proprietary functions of the District consistent with the permissible scope of the District's authority.

(J) Essential Facilities. The Facilities are essential to the fulfillment of the District's governmental purposes.

(K) Taxes. All assessments, taxes or impositions of any kind with respect to the Facilities, except current taxes, have been paid in full.=

(L) Current Compliance. The District is in all material respects in compliance with all laws, regulations, ordinances, and orders of public authorities applicable to the Facilities.

(M) Hazardous Substances. To the best of the District's knowledge, the Facilities are free of all Hazardous Substances. The Facilities comply in all material respects with applicable zoning, environmental and safety ordinances, and the District does not believe there to be any adverse environmental conditions on the Facilities.

(N) Flooding Risk. To the best of the District's knowledge, the Facilities are not located in a flood hazard area and have never been subject to material damage from flooding.

(O) Value of Facilities. The insured value of the Facilities is no less than \$[12,000,000].

(P) Useful Life. The Facilities have a remaining useful life that extends to at least June 1 ,2040.

(Q) Financial Condition. The audited financial statements of the District for the year ended June 30, 2019, supplied to the Lender (i) were prepared in accordance with generally accepted accounting principles, consistently applied, and (ii) fairly present the District's financial condition as of the date of the statements. There has been no material adverse change in the District's financial condition subsequent to June 30, 2019.

(R) Role of the Lender. The District acknowledges that: (a) the Lender is acting in this financing transaction solely for its own account and not as a fiduciary for the District or in the capacity of broker, dealer, municipal securities underwriter, placement agent, or municipal advisor; (b) the Lender has not provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of the District with respect to this financing; and (c) the District has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the financing transaction from its financial, legal, and other advisors (and not the Lender) to the extent that the District desired to obtain such advice.

(P) No Consent Required; Compliance with Public Bidding Requirements. No consent or approval of any trustee or holder of any indebtedness of the District, and no consent, permission, authorization, order or license of, or filing or registration with any governmental authority, is necessary in connection with the execution and delivery of the Site Lease and this Lease Purchase Agreement, or the consummation of any transaction therein and herein contemplated, except as have been obtained or made and as are in full force and effect. The District has complied with such public bidding requirements as may be applicable to this Lease Purchase Agreement.

ARTICLE III. LEASE OF FACILITIES

Section 3.01 Lease of Facilities. The Corporation hereby demises and leases to the District, and the District hereby rents and hires from the Corporation, the Facilities in accordance with the provisions of this Lease Purchase Agreement, to have and to hold for the term of this Lease Purchase Agreement.

Section 3.02 No Merger of Estates. The leasing by the Corporation to the District of the Facilities pursuant to this Lease Purchase Agreement shall not effect or result in a merger of the District's leasehold estate pursuant hereto and its fee estate. The Corporation shall continue to have and hold a leasehold estate in the Facilities pursuant to the Site Lease throughout the term thereof and the term of this Lease Purchase Agreement. As to the Facilities, this Lease Purchase Agreement shall be deemed and constitute a sublease.

Section 3.03 Lease Term; Occupancy.

(A) Term. The term of this Lease Purchase Agreement shall commence on the Funding Date and shall end on June 1, 2040, unless such term is extended or sooner terminated as hereinafter provided. If on June 1, 2040, the obligation to make Rental Payments hereunder shall have been abated at any time and for any reason and not otherwise fully paid from rental abatement insurance or other sources, or the District shall have defaulted in its payment of Rental Payments hereunder or any Event of Default has occurred and continues without cure by the District, then the term of this Lease Purchase Agreement shall be extended for the actual period of abatement or for so long as the default remains uncured, but not to exceed fifteen (15) years. When all outstanding Rental Payments under this Lease Purchase Agreement have been paid in full, and the District has paid and performed in full all of its other obligations under this Lease Purchase Agreement, the term of this Lease Purchase Agreement shall end ten (10) days thereafter or ten (10) days after written notice by the District to the Corporation that all such amounts have been paid in full, whichever is earlier.

(B) Occupancy. So long as no default has occurred, the District will take possession of the Facilities upon commencement of the term of this Lease Purchase Agreement.

Section 3.04 Modifications to the Facilities. Subject to Section 5.05 hereof and so long as no default has occurred, the District shall, at its own expense, have the right to remodel, make alterations or improvements to, or attach fixtures, structures, or signs to the Facilities if the alterations, improvements, fixtures, structures, or signs are necessary or beneficial for the use of the Facilities by the District, provided, however, that such actions by the District shall not materially adversely affect the value of the Facilities. All additions,

modifications and improvements to the Facilities will thereafter comprise part of the Facilities and become subject to the provisions of this Lease Purchase Agreement.

Section 3.05 Title to the Facilities. Subject to Section 21 of the Site Lease, at all times during the term of this Lease Purchase Agreement, the District will hold subleasehold title to the Facilities, subject to the Site Lease. Upon the termination of this Lease Purchase Agreement (other than under Section 8.02(A) hereof), all right, title and interest of the Corporation in and to the Facilities shall be transferred to and vested in the District. Upon the payment in full of all Rental Payments, all right, title and interest of the Corporation in and to the Facilities shall be transferred to and vested in the District. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the District to consummate any such transfer of title.

Section 3.06 Substitution of Leased Property. The District shall have and is hereby granted, the option at any time and from time to time during the term of this Lease Purchase Agreement, to substitute other land, facilities, improvements or other property ("Substitute Leased Property") for the leased property or any portion thereof ("Former Leased Property"), provided that the District shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such substitution:

(A) Execution of Documents. The District shall take all actions and shall execute all documents required to subject such Substitute Leased Property to the terms and provisions of this Lease Purchase Agreement, the Site Lease and the Assignment Agreement, including the filing with the Corporation and the Lender amended exhibits thereto, which adds thereto a description of such Substitute Leased Property and deletes therefrom the description of such Former Leased Property;

(B) Evidence of Value. The District shall deliver to the Corporation and the Lender evidence that the value of the Substitute Leased Property following such substitution is equal to or greater than the outstanding Rental Payments and shall confirm in writing to the Corporation and the Lender that the indemnification provided hereunder applies with respect to the Substitute Leased Property;

(C) Written Certification. The District shall certify in writing to the Corporation and the Lender that such Substitute Leased Property serves the public purposes of the District and constitutes property which the District is permitted to lease under the laws of the State of California;

(D) Title Insurance. The District shall obtain a policy of title insurance meeting the requirements of this Lease Purchase Agreement with respect to such Substitute Leased Property;

(E) Estimated Useful Life. The District shall certify in writing to the Corporation and the Lender the estimated useful life of such Substitute Leased Property at least extends to the date on which the final Rental Payment becomes due and payable hereunder;

(E) No Violation of Covenants. The District shall certify in writing to the Corporation and the Lender that the Substitute Leased Property shall not cause the District to violate any of its covenants, representations and warranties made herein or in the Site Lease; and

From and after the date on which all of the foregoing conditions precedent to such substitution are satisfied, the term of this Lease Purchase Agreement shall cease with respect to the Former Leased Property and shall be continued with respect to the Substitute Leased Property, and all references herein to the Former Leased Property shall apply with full force and effect to the Substitute Leased Property. The District shall not be entitled to any reduction, diminution, extension or other modification of the Rental Payments whatsoever as a result of such substitution.

ARTICLE IV. RENTAL PAYMENTS

Section 4.01 Rental Payments. The District agrees to pay to the Corporation, its successor or assigns, as semi-annual rental for the use of the Facilities (subject to the provisions of Section 4.06) the following amounts, at the following times, in the manner hereinafter set forth:

(A) Amount and Timing. The District shall pay rental payments, comprising principal and interest components, in annual principal installments and semi-annual interest installments of the amounts and at the times set forth in the Schedule of Rental Payments attached as **Exhibit A** hereto. The interest components of the Rental Payments shall be paid by the District and constitute interest paid on the principal components of the Rental Payments.

(B) Extension of Lease Term. If the term of this Lease Purchase Agreement shall have been extended pursuant to Section 3.02 hereof because of an abatement of rental, Rental Payments shall continue to be due as described herein and pursuant to the Extended Lease Term provisions of Section 4.06. Rental Payment installments shall continue to be payable in installments on June 1 and December 1 in each year, continuing to and including the date of termination of this Lease Purchase Agreement. Upon such extension of this Lease Purchase Agreement, the principal and interest components of the Rental Payments shall be established so that the principal components will, in the aggregate, be sufficient to pay all unpaid principal components and the interest components will be sufficient to pay all unpaid interest components plus interest on the extended principal components at the Effective Interest Rate, computed on the basis of a 360-day year composed of twelve 30-day months.

(C) Rental Period. Each payment of Rental Payments shall be for the use of the Facilities for the six-month period commencing on the June 2 or December 2, as applicable, of the period in which such installments are payable (except that the first rental period shall commence on the Funding Date and end on June 1, 2021).

(D) Medium and Place of Payment. Each installment of rental payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Lender, as assignee of the Corporation.

(E) Failure to Maintain Tax Exemption. If the Lender or District either (i) receives notice, in any form, from the Internal Revenue Service that the Lender may not exclude the interest component of any Rental Payment from gross income for federal income tax purposes; or (ii) reasonably determines, based on an opinion of Special Counsel, in either case that the Lender may not exclude the interest component of any Rental Payment from gross income for federal income tax

purposes, then the District shall pay to the Lender, within thirty (30) days after the Lender notifies the District of such determination or notice, the amount which, with respect to Rental Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the receipt of such amounts and the interest component of all Rental Payments due through the date of such event) that would be imposed on Rental Payments and such amounts as a result of the loss of the exclusion, will restore to the Lender the same after tax yield on the transaction evidenced by this Lease Purchase Agreement (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. This covenant to pay such amount shall survive the termination of this Lease Purchase Agreement.

Section 4.02 Allocation of Rental Payment. All Rental Payments received shall be applied first to the interest components of the Rental Payments due hereunder, then to the principal components of the Rental Payments due hereunder, but no such application of any payments that are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

Section 4.03 No Offsets. 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 the Rental Payments or any portion thereof, the payments or excess payments, as the case may be, shall, at the option of the District, be credited against subsequent Rental Payments due hereunder or be refunded at the time of such determination.

Section 4.04 Net Lease. This Lease Purchase Agreement shall be deemed and construed to be a "net-net-net lease" and the District hereby agrees that the Rental Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges, or setoffs whatsoever.

Section 4.05 Covenant to Budget and Appropriate. The District covenants and agrees to take such action as may be necessary to include all Rental Payments due hereunder in its annual budgets and to make the necessary annual appropriations for all such Rental Payments. Annually within thirty (30) days of the adoption of the budget, the District will furnish to the Lender and the Corporation a Certificate of the District certifying that such budget contains the necessary appropriation for all Rental Payments. If requested in writing by either the Corporation or the Lender, the District will furnish a copy of such budget.

The agreements and 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 agreements and covenants in this Lease Purchase Agreement agreed to be carried out and performed by the District.

Section 4.06 Abatement of Rental. Rental Payments shall be abated proportionately during any period in which, by reason of damage to, destruction of, taking under the power of eminent domain (or sale to any entity threatening the use of such power) of, or title defect with respect to any portion of the Facilities, there is substantial interference with the use and possession of the Facilities or a portion thereof. The District shall notify the Corporation and the Lender within fifteen (15) days of the occurrence of any event causing

substantial interference with the District's beneficial use and enjoyment of the Facilities and the portion of the Facilities that is unavailable. The District and the Corporation shall, in a reasonable manner and in good faith, determine the amount of such abatement; provided that the Rental Payments due for any rental period shall not exceed the annual fair rental value of that portion of the Facilities available for use and occupancy by the District during such rental period and the amount of abatement shall be such that the resulting Rental Payments represent fair consideration for the use and possession of the portion of the Facilities not so interfered with. Such abatement (or portion thereof) shall commence with the date of such interference and shall end on the date on which substantial beneficial use and enjoyment of the applicable portion is restored to the District (the "Abatement End Date").

In the event of any such damage or destruction, eminent domain (or sale to any entity threatening the use of such power) or title defect with respect to any portion of the Facilities or other interference, this Lease Purchase Agreement will continue in full force and effect, including for the Extended Lease Terms as provided in the next succeeding paragraph, and the District waives the benefits of Civil Code Sections 1932, subd. 1; 1932, subd. 2, and 1933, subd. 4, and any and all other rights to terminate this Lease Purchase Agreement by virtue of any such interference. Notwithstanding the foregoing, the Rental Payments are not subject to abatement to the extent that rental interruption insurance proceeds are available to pay Rental Payments which would otherwise be abated under this Section 4.06, it being hereby declared that such amounts constitute special funds for the payment of the Rental Payments.

In case of abatement of Rental Payments as provided herein, the term of this Lease Purchase Agreement shall automatically be extended for an Extended Lease Term and further extended successively for any additional Extended Lease Term as a result of the occurrence of any subsequent similar event. "Extended Lease Term" means a period (and any successive period) during which the original term of this Lease Purchase Agreement (the "Original Term") is extended pursuant to this Section 4.06 and is equal in duration to any period during which the District does not pay Rental Payments (in whole or in part) when scheduled as a result of the occurrence of an event that results in abatement of the District's obligation to make Rental Payments in accordance herewith.

The terms and conditions during any Extended Lease Term under this Lease Purchase Agreement shall be the same as the terms and conditions during the Original Term, except that:

(i) the then unpaid aggregate principal component under this Lease Purchase Agreement shall be amortized at the Effective Interest Rate on a level debt service basis over a period equal to the duration of the then remainder of such Original Term and such Extended Lease Term and with Rental Payments payable on each Payment Date provided in the Schedule of Rental Payments;

(ii) Lender shall prepare, and Lender and District shall execute and deliver, a revised Schedule of Rental Payments based on the factors described in the preceding (i) which shall supersede Exhibit A hereto;

(iii) if the Extended Lease Term does not end on an applicable Payment Date, the final date for payment of Rental Payments shall be the last business day of the Extended Lease Term under this Lease Purchase Agreement; and

(iv) the District shall take such actions as necessary to maintain the federal tax-exemption of the interest component of the Rental Payments hereunder, including preparing, executing and filing an information reporting return in compliance with the Code in the event that the revised Schedule of Rental Payments may result in a reissuance of this Lease Purchase Agreement for federal income tax purposes.

In connection with the execution and delivery of a revised Schedule of Rental Payments as herein provided, the District, shall engage special tax counsel (selected by the District and reasonably acceptable to the Lender) for the purpose of the delivery to Lender, at the District's expense, of a written opinion with respect to the federal tax matters described in this subsection, including no adverse effect on the federal tax status of this Lease Purchase Agreement and the exclusion of interest from gross income for federal tax purposes. Lender shall establish the Extended Lease Term, calculate the increased interest component and revised amortization of the then unpaid aggregate principal component hereunder and prepare the revised Schedule of Rental Payments, all as provided in this subsection, within thirty (30) days after an Abatement End Date (as described above). Once Lender has prepared such revised Schedule of Rental Payments, Lender shall promptly deliver such revised Schedule of Rental Payments to the District for execution and delivery by the District and return to Lender; provided that the revised Schedule of Rental Payments prepared in accordance with this subsection shall become immediately effective for the period from and after such Abatement End Date. The District shall direct such special tax counsel to reasonably cooperate with the Lender in connection with the delivery of such special tax opinion.

Section 4.07 Contributions/Advances. Nothing contained in this Lease Purchase Agreement shall prevent the District from making contributions or advances to the Corporation from time to time for any purpose now or hereafter authorized by law, including the making of repairs to, or the restoration of, the Facilities in the event of damage to or the destruction of the Facilities.

Section 4.08 Prepayment. Provided that the District gives the Lender a written notice at least 30 days prior to the date of prepayment, the District may prepay its obligations hereunder in whole on any date at the below listed prepayment prices of the aggregate principal component of Rental Payments to be prepaid plus accrued interest at the Effective Interest Rate to the date of prepayment, computed on the basis of a 360-day year composed of twelve 30-day months:

Prepayment Period	Prepayment Price
Funding Date through June 1, 2024	102%
June 2, 2024 through June 1, 2027	101%
June 2, 2027 through June 1, 2040	100%

Section 4.09 Prepayment from Insurance or Eminent Domain. The District shall prepay the unpaid principal components of the Rental Payments, in whole or in part on any date, from and to the extent of any Net Proceeds of insurance award or eminent domain award allocated to the Facilities and to be applied for purposes of such prepayment under Article VI, by paying a prepayment price equal to ___% of the aggregate principal

components of the Rental Payments to be prepaid, *plus* accrued interest on such prepaid principal components to the prepayment date. The District shall give the Corporation notice of prepayment of Rental Payments under this Section not less than 30 days in advance of such prepayment date. Prepayment in part of the unpaid principal components of Rental Payments as provided in this Section 4.09 shall be applied to reduce the principal components of Rental Payments in inverse order of the Payment Dates, unless otherwise agreed upon by the District and the Lender.

ARTICLE V. COVENANTS

Section 5.01 Quiet Enjoyment. The Corporation hereby covenants to provide the District during the term of this Lease Purchase Agreement with quiet use and enjoyment of the Facilities and the District shall during the term of this Lease Purchase Agreement peaceably and quietly have, hold, and enjoy the Facilities without suit, trouble, or hindrance from the Corporation, so long as the District observes and performs its covenants and agreements and is not in default hereunder.

Section 5.02 Right of Entry. The Corporation and its assignees shall have the right (but not the duty) to enter the Facilities during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Corporation's or the District's rights or obligations under this Lease Purchase Agreement, and (c) for all other lawful purposes, provided that such entry or inspection does not interfere with the use of the premises by the District for school purposes and does not disrupt or interfere with the regular conduct of schoolwork, and the Corporation or its assignees comply with Penal Code section 627.2 which provides in relevant part: "No outsider shall enter or remain on school grounds during school hours without having registered with the principal or designee, except to proceed expeditiously to the office of the principal or designee for the purpose of registering."

Section 5.03 Maintenance of the Facilities by the District. The District agrees that, at all times during the term of this Lease Purchase Agreement, the District will, at the District's own cost and expense, maintain, preserve, and keep the Facilities and every portion thereof in good repair, working order, and condition and that the District will from time to time make or cause to be made all necessary and proper repair, replacements, and renewals.

Section 5.04 Taxes and Other Governmental Charges.

(A) Property Tax Exemption. The parties to this Lease Purchase Agreement contemplate that the Facilities and the Project will be used for governmental purposes of the District and, therefore, that the Facilities and the Project will be exempt from all taxes presently assessed and levied with respect to property. In the event that the use, possession, or acquisition by the District, the Corporation, or the Lender of the Facilities or the Project, or the assignment of the Corporation's interests therein to the Lender, is found to be subject to taxation in any form, the District will pay during the term of this Lease Purchase Agreement, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Facilities, and any equipment or other property acquired by the District in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Facilities or the Project; provided that, with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are accrued during such time as this Lease Purchase Agreement is in effect.

(B) Utility Charges. The District shall pay or cause to be paid all gas, water, steam, electricity, heat, power, air conditioning, telephone, utility, and other charges incurred in the operation, maintenance, use, occupancy, and upkeep of the Facilities.

(C) Contest of Charges. The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, or 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 or the Lender shall notify the District that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Corporation in the facilities will be materially endangered or the Facilities, or any part thereof, will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes, assessments, or charges or provide the Corporation with full security against any loss that may result from nonpayment, in form satisfactory to the Corporation and the Lender.

Section 5.05 Liens. In the event the District shall at any time during the term of this Lease Purchase Agreement cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Facilities, 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 Facilities and shall keep the Facilities free of any and all mechanics' or materialmen's liens or other liens against the Facilities or the Corporation's interest therein. In the event any such lien attaches to or is filed against the Facilities or the Corporation's interest therein, the District 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, except that if the District desires to contest any such lien it may do so in good faith. If any such lien is 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 the stay thereafter expires, the District shall forthwith pay (or cause to be paid) and discharge such judgment. The District agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Corporation, the Lender, their directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorney's fees) as a result of any such lien or claim of lien against the Facilities or the Corporation's interest therein. The District will not, directly or indirectly, create or permit there to be any mortgage, pledge, lien, charge, and encumbrance or claim on or with respect to the Facilities, other than Permitted Encumbrances.

Section 5.06 Environmental Covenants. Compliance with Laws; No Hazardous Substances. The District will comply and shall cause all tenants, subtenants, licensees, guests, invitees, contractors, employees and agents to comply with all Applicable Environmental Laws with respect to the Facilities and will not use, store, generate, treat, transport, or dispose of any Hazardous Substance thereon or in a manner that would cause any Hazardous Substance to later flow, migrate, leak, leach, or otherwise come to rest on or in the Facilities. The District shall, to the extent permitted by law, indemnify and hold harmless the Corporation, the Lender and their respective employees, agents, officers, directors, trustees, successors and assigns ("Related Parties") from any liabilities, damages, or expenses (including attorneys' fees incurred by Lender and Related Parties) incurred in connection with a violation by the District of this Section 5.06.

(A) Remediation. The District shall conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions necessary to

clean up and remove all Hazardous Substances on, from, or affecting the Facilities, in accordance with all Applicable Environmental Laws and (b) in accordance with the orders and directives of all Federal, State and local governmental authorities.

(B) Notification of the Lender. The District will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Facilities and any operations conducted thereon or any conditions existing thereon to the Lender, and the District will notify the Lender in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substance that has occurred or is occurring that in any way affects or threatens to affect the Facilities, or the people, structures, or other property thereon, provided that no such notification shall create any liability or obligation on the part of the Lender.

(C) Access for Inspection. The District will permit the Lender, its agents, or any experts designated by the Lender to have full access to the Facilities during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the Lender has no obligation to do so, or any liability for any failure to do so, or any liability should it do so, provided that such entry or inspection does not interfere with the use of the premises by the District for school purposes and does not disrupt or interfere with the regular conduct of schoolwork, and the Corporation or its assignees comply with Penal Code section 627.2 which provides in relevant part: "No outsider shall enter or remain on school grounds during school hours without having registered with the principal or designee, except to proceed expeditiously to the office of the principal or designee for the purpose of registering."

(D) AHERA Compliance. In connection with its covenants provided in this Section 5.06, the District shall specifically comply with all requirements of AHERA (as defined in Applicable Environmental Law), including developing, maintaining and updating an Asbestos Management Plan (as hereafter defined) and keeping a copy at the Facilities; and performing re-inspections of Asbestos Containing Materials (as hereafter defined) at the Facilities every three years. The District shall maintain all Asbestos Containing Materials in an intact and undamaged state and perform any demolition, renovation or other activities in accordance with all Applicable Environmental Laws. As used herein, (i) the term "Asbestos Containing Materials" means material in friable form containing more than one percent (1%) of the asbestiform varieties of chrysotile (serpentine), crocidolite (ricbeckite), amosite (cummington-itegrinerite), anthophyllite, tremolite and antinolite; and (ii) the term "Asbestos Management Plan" means that written plan for the Facilities relating to monitoring and maintaining all Asbestos Containing Materials used or located on the Facilities in accordance with AHERA.

(E) USTs. The District shall conform 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, but not limited to, the Applicable Environmental Law.

(F) Monitoring of Compliance. Neither the Lender nor the Corporation shall be obligated to monitor compliance of the Facilities with Applicable Environmental Laws or other laws. Neither the Lender nor the Corporation shall have any obligations or responsibility to foreclose or otherwise further involve itself with the Facilities under any circumstance, including any instance where either the Corporation or the Lender is notified of any non-compliance of the Facilities with applicable environmental or other laws.

Section 5.07 Assignment and Subleasing. Neither this Lease Purchase Agreement nor any interest of the District hereunder shall be mortgaged, pledged, assigned, sublet, or transferred by the District by voluntary act or by operation of law or otherwise, except with the prior written consent of the Lender, which, in the case of subletting, shall not be unreasonably withheld; provided that (i) no default shall have occurred; (ii) this Lease Purchase Agreement and the obligation of the District to make all Rental Payments hereunder shall remain the primary obligation of the District; (iii) no such sublease by the District shall cause the Facilities to be used for a purpose other than an essential governmental or proprietary function authorized under the provisions of the Constitution and laws of the State of California; (iv) any sublease of the Facilities by the District shall be expressly subordinate to this Lease Purchase Agreement. Such sublease shall explicitly provide that such sublease is subject to all rights of the Corporation under this Lease Purchase Agreement, including, the right to re-enter and re-let the Facilities or terminate this Lease Purchase Agreement upon a default by the District; (v) the sublease shall not cause the District to violate any of its covenants, representations and warranties made herein. No event giving rise to an abatement of Rental Payments has occurred or is continuing with respect to the substituted or remaining Facilities; (vi) such subletting shall not, in the written opinion of Special Counsel delivered to the Lender, affect the tax-exempt status of the interest components of the Rental Payments payable by the District hereunder; (vii) the District shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Lender a true and complete copy of such sublease; and (viii) no such sublease by the District may cause the Facilities to be used for a purpose which is not authorized under the provisions of the laws of the State. No such mortgage, pledge, assignment, sublease or transfer shall in any event affect or reduce the obligation of the District to make the Rental Payments required hereunder.

Notwithstanding the foregoing, so long as no default shall have occurred, the District may allow occasional use of the Facilities by civic groups pursuant to the provisions of the Civic Center Act (California Education Code sections 38130 and following) and by State and local agencies for their governmental purposes pursuant to joint use agreements and similar arrangements.

Section 5.08 District Consent to Assignment. Certain of the Corporation's rights under this Lease Purchase Agreement, including the right to receive and enforce payment of the Rental Payments, are being assigned to the Lender pursuant to the Assignment Agreement. The District hereby consents to such assignment and to any additional assignment of such rights by the Lender or its assignees. The District agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, that reasonably may be requested by the Corporation, the Lender, or its assignees to protect their interests in the Facilities and in this Lease Purchase Agreement.

The Lender may further assign its rights under this Lease Purchase Agreement in whole or in part to one or more assignees or subassignees, without the necessity of obtaining the consent of the District; *provided*, that any such assignment, transfer or conveyance:

- (i) shall be made only to:
 - (a) Persons each of whom the Lender reasonably believes is a "*qualified institutional buyer*" as defined in Rule 144A(a)(1) promulgated under the Securities Act or an "*accredited investor*" as defined in Sections 501(a)(1), (2), (3) and (7) of Regulation D promulgated under the Securities Act, or

- (b) a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to qualified institutional buyers or accredited investors;
- (ii) shall not result in the creation of any interest in the assigned rights in an aggregate principal component that is less than \$100,000; and
- (iii) shall not require the District to make Rental Payments, send notices or otherwise deal with respect to matters arising under this Lease Purchase Agreement with or to more than one trustee, owner, servicer or other fiduciary or agent (herein referred to as the "*Lease Servicer*").

Any trust agreement, participation agreement or custodial agreement under which multiple ownership interests in the assigned rights are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single Lease Servicer to act on their behalf with respect to the assigned rights, including with respect to the exercise of rights and remedies on behalf of such owners upon the occurrence of an Event of Default hereunder.

The Corporation (including the initial assignee pursuant to the Assignment) and the District hereby acknowledge and agree that the restrictions and limitations on transfer as provided in this Section 5.08 shall apply to the first and subsequent assignees and sub-assignees of any of the assigned rights (or any interest therein).

No assignment, transfer or conveyance permitted by this Section 5.08 that changes the Lease Servicer or its payment instructions or mailing address shall be effective until the District shall have received a written notice of assignment that discloses the name, payment instructions and address of each such assignee; *provided*, that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, trust certificates or partnership interests evidencing interests in the assigned rights, it shall thereafter be sufficient that the District receives notice of the name, payment instructions and address of such bank or trust company that acts as the Lease Servicer. During the term of this Lease Purchase Agreement, the District shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. The District shall retain all such notices as a register of all assignees and shall make all payments to the Lender or Lease Servicer designated in such register. The District shall not have the right to, and shall not, assert against the initial assignee or any subsequent assignee any claim, counterclaim or other right that the District may have against the Corporation. If an assignee notifies the District of its intent to assign the assigned rights (or any interest therein) to a different Lease Servicer, the District agrees that it shall execute and deliver to the requesting assignee a notice and acknowledgment of assignment in form reasonably required by such assignee within five (5) business days after its receipt of such request.

Section 5.09 Corporation's Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY, OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, HABITABILITY, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, OR FITNESS FOR USE OF THE FACILITIES, OR WARRANTY WITH RESPECT THERETO. THE DISTRICT ACKNOWLEDGES THAT THE CORPORATION HAS NOT CONSTRUCTED THE FACILITIES AND IS NOT A REAL ESTATE BROKER, THAT THE DISTRICT LEASES THE FACILITIES AS-IS, ITS BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event shall the Corporation or the Lender

be liable for any incidental, indirect, special, or consequential damage in connection with or arising out of this Lease Purchase Agreement or the existence, furnishing, functioning, or the District's use of the Facilities or any item or products or services provided for in this Lease Purchase Agreement.

Section 5.10 Corporation and Lender not Liable; Indemnification of the Corporation and the Lender. The Corporation and the Lender and their directors, officers, agents, and employees shall not be liable to the District or to any other party whomsoever for any death, injury, or damage that may result to any person or property by or from any cause whatsoever in, on or about the Facilities.

The District shall to the full extent then permitted by law, indemnify, protect, hold harmless, save, and keep harmless the Corporation and its assignees (including the Lender) and their directors, officers, and employees from and against any and all liability, obligations, losses, claims, and damages whatsoever, regardless of the cause thereof and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the District's performance of any of its obligations under entering into of this Lease Purchase Agreement or any other agreement entered into in connection herewith or therewith, the District's maintenance of the Facilities, the design or ownership of the Facilities or the Project, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage, or return of any part of the Facilities or the Project, or any accident in connection with the operation, use, condition, possession, storage, or return of any item of the Facilities resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the District, or the Corporation or the Lender; any claim for patent, trademark or copyright infringement; and any claim arising out of strict liability in tort. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease Purchase Agreement or the termination of the term of this Lease Purchase Agreement for any reason. The District, and the Corporation mutually agree to promptly give notice to each other and the Lender of any claim or liability hereby indemnified against following either's learning thereof.

Section 5.11 Federal Income Tax Covenants. The District shall at all times do and perform all acts and things permitted by law and this Lease Purchase Agreement that are necessary and desirable in order to assure that the interest component of the Rental Payments will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the District agrees to comply with the provisions of the Tax Certificate. This covenant shall survive the payment in full of the District's obligations hereunder.

Section 5.12 Further Assurances. The District and the Corporation agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered such supplements hereto and such further instruments as may be necessary or proper to carry out the intention or to facilitate the performance of this Lease Purchase Agreement.

Section 5.13 Financial Statements. During the term of this Lease Purchase Agreement, the District shall, furnish or cause to be furnished to the Lender, at the District's expense, (i) the audited financial statements of the District (including (1) a balance sheet, (2) statement of revenues, expenses and changes in fund balances for budget and actual, (3) statement of cash flows, and (4) footnotes, schedules and attachments to the financial

statements) within nine (9) months of the end of the Fiscal Year, (ii) any interim or unaudited financial statements that may be reasonably requested by the Lender as soon as available and (iii) such other financial statements and information as Lender may reasonably request. Any audited financial statements furnished to the Lender shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall fairly present the District's financial condition as of the date of the statements. The financial statements described in this Section 5.13 shall be accompanied by an unqualified opinion of District's independent auditor. Credit information relating to District may be disseminated among Lender and any of its affiliates and any of their respective successors and assigns.

**ARTICLE VI.
ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE PROJECT**

Section 6.01 Payment of Project Costs. Payment of the Project Costs shall be made from the moneys deposited with the County in the Project Cost Fund pursuant to the Custodian Agreement.

Section 6.02 Compliance with Law.

(A) Public Bidding. The District shall comply with all applicable provisions for bids and contracts prescribed by law, including, without limitation, the Public Contracts Code, the Education Code, and the Government Code of the State.

(B) Wage Rates and Working Hours. The District shall comply with all provisions relating to prevailing wage rates and working hours applicable to it under the laws of the State with respect to the acquisition, construction and installation of additions to the Project.

(C) Field Act Compliance. If applicable, the District shall acquire, construct and install additions to the Project in such manner as to comply with the Field Act, Sections 39140 *et seq.* of the Education Code of the State.

(D) Plans and Specifications. If applicable, the District shall prepare and adopt plans and specifications for the acquisition, construction and installation of additions to the Project pursuant to the Education Code and Public Contracts Code of the State.

Section 6.03 Further Assurances and Corrective Instruments. The Corporation and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

**ARTICLE VII.
INSURANCE; EMINENT DOMAIN**

Section 7.01 Insurance Covenant. At its own expense, the District shall maintain (i) casualty insurance insuring the Facilities against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State of California and any other risks reasonably required by the Lender in an amount equal to the

greater of (a) 100% of the replacement cost of the Facilities without deduction for depreciation, or (b) the aggregate unpaid principal components of the Rental Payments; (ii) liability insurance that protects the Lender from liability in all events in the amount of at least \$5,000,000 per occurrence for bodily injury and property damage coverage (such liability insurance coverage may be in a combination of primary general liability and/or excess liability umbrella coverage); (iii) rental abatement insurance in an amount equal to at least the maximum Rental Payments coming due and payable during any future 24-month period; and (iv) workers' compensation insurance covering all employees working on, in, near or about the Facilities. In the event of any damage to or destruction of any part of the Facility, caused by perils covered by such insurance, the District shall cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of such damaged or destroyed portion of the Facility. In the event of damage or destruction, insurance proceeds may also be used for prepayment. Insurance certificates will be reviewed by Lender prior to closing.

(A) Title Insurance. On or before the Funding Date, the District shall, at its expense, cause the Assignment Agreement, the Site Lease, and this Lease Purchase Agreement, or a memorandum hereof or thereof, to be recorded in the office of the San Diego County Recorder with respect to the Facilities. The District shall provide, at its own expense, one or more CLTA title insurance policies for the Facilities, in the aggregate amount of not less than the initial aggregate principal components of the Rental Payments. Said policy or policies shall insure (a) the fee interest of the District in the Facilities, (b) the Corporation's and Lender's leasehold estate in the Facilities under the Site Lease, and (c) the District's leasehold estate hereunder in the Facilities, subject only to Permitted Encumbrances. All Net Proceeds received under said policy or policies shall be applied to the prepayment of Rental Payments in accordance with Section 4.09 hereof.

(B) Flood Insurance. If at any time and for so long as any portion of the Facilities or any other structure on the Facilities is or in the future may be located in a "special flood hazard area" designated by the Federal Emergency Management Agency as shown on a Flood Insurance Rate Map published by the Federal Emergency Management Agency, the Lessee shall obtain and maintain at Lessee's sole expense, a flood insurance policy, required by law, covering building and contents in an amount required by the Lender, but in no event less than the amount of such insurance available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended, or other applicable law hereafter enacted, naming the Lender as loss payee and with such deductible as the Lender may reasonably require. If the Lessee obtains an exception or waiver to the designation of the Facilities and each other structure on the Facilities as being within a "special flood hazard area" from the Federal Emergency Management Agency, the Lessee shall not be required to provide flood insurance as set forth in this subsection.

(C) Disaster Aid. Should the Facilities be damaged or destroyed as a result of an event for which federal or State of California disaster aid is available, the Corporation and/or the District shall promptly apply for disaster aid. Any disaster aid proceeds received shall be used to repair, reconstruct, restore or replace the damaged or destroyed portions of the Facilities, or, at the option of the District, to prepay the Rental Payments if permitted under the disaster aid program and the law.

Section 7.02 Alternative Risk Management. With Lender's prior written consent, which consent shall not be unreasonably withheld, the District may provide the insurance required by Section 7.01, except for title insurance, through (1) a self-insurance method or plan of protection, except for rental abatement insurance, (2) a program involving captive insurance companies, (3) participation in state or federal insurance programs, (4) participation with other public agencies in mutual or other cooperative insurance or other risk management programs, including those made available through joint exercise of powers agencies, or (5) establishment or participation in other alternative risk management programs.

Section 7.03 General Insurance Provisions. All such insurance shall be with insurers that are authorized to issue such insurance in the State by carriers rated at least "A-" by Fitch, A.M. Best Company or Standard & Poor's Ratings Services, unless the Lender shall approve in writing an insurer with a lower rating, (other than the workers' compensation insurance) shall name the Lender as an additional insured, and shall contain a provision to the effect that such insurance shall not be cancelled or modified materially and adversely to

the interest of the Lender without first giving written notice thereof to the Lender at least ten (10) days in advance of such modification or cancellation. Such changes shall not become effective without the Lender's prior consent, which consent shall not be unreasonably withheld. All such casualty insurance shall contain a provision making any losses payable to the Lender and the District as their respective interests may appear and shall include a lender's loss payable endorsement for the benefit of the Lender. All insurance proceeds from rental abatement insurance shall be paid to the Lender or its assigns and shall be credited toward the payment of Rental Payments in the order in which the Rental Payments come due and payable. To the extent commercially available, all such policies shall contain a standard lessee clause in favor of the Corporation and the general liability insurance policies shall be endorsed to show the Corporation as an additional insured. Prior to the Funding Date, the District will deposit with the Lender policies (and riders and endorsements, if applicable) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that all such insurance is in full force and effect. Before the expiration of any such policy (or rider), the District will furnish to the Lender evidence that the policy has been renewed or replaced by another policy conforming to the provisions hereof unless such insurance is no longer obtainable, in which event the District shall notify the Lender of such fact. The District shall, at the Lender's request, furnish to the Lender certificates evidencing the required coverage.

Section 7.04 Advances. In the event the District shall fail to maintain the full insurance coverage required by this Lease Purchase Agreement or shall fail to keep the Facilities in good repair and operating condition, the Lender may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and the District agrees to reimburse the Lender all amounts so advanced within thirty (30) days of a written request therefor, with interest at the Effective Interest Rate.

Section 7.05 Damage, Destruction, and Condemnation. If (a) the Facilities or any portion thereof is damaged or destroyed, in whole or in part, or (b) title to, or the temporary use of, the Facilities or any part thereof is taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, the District and the Corporation shall cause the proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be deposited by the District in a special account (and District shall provide the Lender with written evidence of any such deposit) and the District and the Corporation shall cause such amounts to be expeditiously and diligently applied to the prompt repair, reconstruction, or replacement of the Facilities, unless the District has exercised its right to prepay this Lease Purchase Agreement as provided in Section 4.09 herein. Such proceeds shall be expeditiously and diligently applied to the cost of repair or replacement of the Facilities or the affected portion thereof. Notwithstanding anything herein to the contrary, the District shall, within sixty (60) days of the occurrence of the event of damage or destruction or loss, notify the Lender in writing as to whether the District intends to replace or repair the Facilities or the portions of the Facilities which were damaged or destroyed or lost or taken. If the District does intend to replace or repair the Facilities or portions thereof, the District shall deposit in said special account the full amount of any Net Proceeds and insurance deductible. The District shall provide the Lender with written evidence of any such deposit.

If such damage, destruction or loss results in a substantial interference with the District's right to the use or occupancy of the Facilities and an abatement in whole or in part of Rental Payments pursuant to Section 4.06 hereof, or is otherwise not immaterial to the rights and interests of the Corporation as agreed by the Corporation, then the District shall

be required either to, with prior written consent of the Corporation, (i) apply sufficient funds from the insurance proceeds and other legally available funds to the replacement or repair of the Facilities or the portions thereof which have been damaged or lost to the condition and value which existed prior to such damage or destruction or loss, or (ii) apply sufficient funds from the insurance and other legally available funds to the prepayment, as set forth in Section 4.09 hereof, in full of all the Rental Payments which would be abated as a result of the damage or destruction or loss. Any Net Proceeds remaining after the portion of the Facilities which was damaged, destroyed or taken is restored or replaced to and made available to the District in substantially the same condition and Fair Rental Value as that which existed prior to the damage or destruction or loss as required by clause (i) above, or the prepayment of Rental Payments as required by clause (ii) above, may, after all outstanding Rental Payments and all other amounts due and payable under this Lease Purchase Agreement are paid in full, be withdrawn from such special account and used by the District for any lawful purpose.

In the event of damage to or destruction of all or a portion of the Facilities due to earthquake or other uninsured casualty for which the proceeds of rental interruption insurance are not available, at the request of the Lender, District shall promptly after the occurrence of such event substitute and add as additional Facilities hereunder other real or personal property of District that is unimpaired and unencumbered, the fair rental value of which shall be at least equal to the Rental Payments due during each fiscal year for the remainder of the term of this Lease Purchase Agreement.

**ARTICLE VIII.
DEFAULT AND REMEDIES**

Section 8.01 Events of Default. The following events shall be Events of Default:

(A) Payment Default. Failure of the District to pay any Rental Payments payable hereunder when the same becomes due and payable, time being expressly declared to be of the essence of this Lease Purchase Agreement; or failure of the District to maintain any insurance required hereunder;

(B) Breach of Covenant. Failure of the District to keep, observe, or perform any other term, covenant or condition contained herein to be kept or performed by the District for a period of thirty (30) days after notice of the same has been given to the District by the Corporation or the Lender;

(C) Transfer of District's Interest. Assignment or transfer of the District's interest in this Lease Purchase Agreement or any part hereof without the written consent of the Corporation, either voluntarily or by operation of law or otherwise;

(D) Bankruptcy or Insolvency. Institution of any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency, or similar law or any law providing for the appointment of a receiver, liquidator, trustee, or similar official of the District or of all or substantially all of its assets, by or with the consent of the District, or institution of any such proceeding without its consent that is not permanently stayed or dismissed within sixty (60) days, or agreement by the District with the District's creditors to effect a composition or extension of time to pay the District's debts, or request by the District for a reorganization or to effect a plan of reorganization, or for a readjustment of the District's debts, or a general or any assignment by the District for the benefit of the District's creditors; or

(E) Abandonment of the Facilities. Abandonment by the District of any part of the Facilities or the District shall vacate the Facilities; or

(F) False/Misleading Statements. Any statement, representation or warranty made by District in or pursuant to the Site Lease or this Lease Purchase Agreement or its execution, delivery or performance shall prove to have been false, incorrect, misleading, or breached in any material respect on the date when made.

Section 8.02 Remedies on Default. Upon the occurrence and during the continuance of an Event of Default, it shall be lawful for the Corporation to exercise any and all remedies available pursuant to law or the following remedies granted pursuant to this Lease Purchase Agreement:

(A) Termination of Lease.

(1) Notice of Termination; Re-entry. By written notice to the District, to terminate this Lease Purchase Agreement and to re-enter the Facilities and remove all persons in possession thereof and all personal property whatsoever situated upon the Facilities and place such personal property in storage in any warehouse or other suitable place in the State in which the District is located. In the event of such termination, the District agrees to surrender immediately possession of the Facilities, 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 Facilities and removal or storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained.

(2) No Termination Except by Notice. Neither (a) notice to pay rent or to deliver up possession of the Facilities given pursuant to law, nor (b) any entry or re-entry by the Corporation, nor (c) any proceeding brought by the Corporation to recover possession of the Facilities, nor (d) the appointment of a receiver upon initiative of the Corporation to protect the Corporation's interests under this Lease Purchase Agreement shall of itself operate to terminate this Lease Purchase Agreement. No termination of this Lease Purchase Agreement on account of default by the District shall be or become effective by operation of law or acts of the parties hereto, 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 Purchase Agreement. The District covenants and agrees that no surrender of the Facilities or of the remainder of the term hereof or any termination of this Lease Purchase Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(B) Continuation of Lease; Reletting.

(1) Continuation Remedies. Without terminating this Lease Purchase Agreement, (a) to collect each installment of rent as it becomes due and enforce any other term or provision hereof to be kept or performed by the District, regardless of whether or not the District has abandoned the Facilities, and/or (b) to enter, retake possession of, and re-let the Facilities. The term "re-let" or "re-letting" as used in this Article shall include, but not be limited to, re-letting by means of the operation by the Corporation of the Facilities.

(2) District to Remain Liable. If the Corporation does not elect to terminate this Lease Purchase Agreement in the manner provided for in subsection (A) 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. If the Facilities are not re-let, the District agrees to pay the full amount of the rent to the end of the term of this Lease Purchase Agreement; if the Facilities are re-let, the District agrees to pay any deficiency in rent that results therefrom. The District further agrees to pay the rent and/or such deficiency punctually at the same time and in the same manner as for the payment of rent hereunder (without acceleration), notwithstanding the fact

that the Corporation may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified and notwithstanding any entry or re-entry by the Corporation or proceeding brought by the Corporation to recover possession of the Facilities.

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

(iii) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Corporation's or its assignee'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.

(iv) Action with respect to the Project Cost Fund. The Corporation may direct to District to terminate the Project Cost Fund and apply any moneys and investments then held in the Project Cost Fund to the Rental Payments due under this Lease Purchase Agreement.

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 Facilities. 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 Purchase Agreement, the District agrees to 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.

(D) Agency. Should the Corporation elect to enter or re-enter the Facilities as herein provided, the District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to re-let the Facilities, or any item or 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. The District further appoints the Corporation as its agent to remove all persons in possession of the Facilities and all personal property whatsoever situated upon the Facilities and to place such personal

property in storage in any warehouse or other suitable place in the State in which the District is located, for the account of and at the expense of the District. The District hereby exempts 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 retaking of possession and re-letting of the Facilities and removal and storage of such property by the Corporation or its duly authorized agents in accordance herewith.

(E) Adequate Notice. The District agrees that the terms of this Lease Purchase Agreement constitute full and sufficient notice of the right of the Corporation to re-let the Facilities and to do all other acts to maintain or preserve the Facilities as the Corporation deems necessary or desirable in the event of such retaking or re-entry without effecting a surrender of this Lease Purchase Agreement, and further agrees that no acts of the Corporation in attempting such re-letting shall constitute a surrender or termination of this Lease Purchase 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 Purchase Agreement shall vest in the Corporation to be effected in the sole and exclusive manner provided for in subsection (A) hereof.

(F) Waiver of Right to Excess Rent; Agreement to Pay Costs. The District further waives the right to rental obtained by the Corporation in excess of the rental herein specified and hereby conveys and releases such excess to the Corporation as compensation to the Corporation for its services in re-letting the Facilities or any items or part thereof. The District further agrees to pay the Corporation the cost of any alterations or repairs or additions to the Facilities or any items or part thereof necessary to place the Facilities or any items or part thereof in condition for re-letting immediately upon notice to the District of the completion and installation of such additions or repairs or alterations.

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

Section 8.03 No Acceleration. Notwithstanding anything herein to the contrary, there shall be no right under any circumstance to accelerate the Rental Payments or otherwise declare any Rental Payments not yet due to be immediately due and payable.

Section 8.04 No Remedy-Exclusive. Each and all of the remedies given to the Corporation hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Corporation to any or all other remedies. 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.

Section 8.05 Corporation Defaults; District Remedies.

(A) Corporation Defaults. The Corporation shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Corporation shall have failed to perform such obligation within thirty (30) days or such additional time as is reasonably required to correct any such default after

notice by the District to the Corporation properly specifying wherein the Corporation has failed to perform any such obligation.

(B) District Remedies. The Corporation's failure to perform any of its obligations hereunder shall not be an event permitting the nonpayment of rent by the District. The parties hereto agree that the performance of the Corporation is unique, that the remedies at law for the Corporation's nonperformance would be inadequate, and that the District shall institute a suit for specific performance by the Corporation upon any default by the Corporation.

Section 8.06 Attorneys' Fees. If the Corporation prevails in any action brought to enforce any of the terms and provisions of this Lease Purchase Agreement, the District agrees to pay a reasonable amount as and for attorneys' fees incurred by the Corporation in attempting to enforce any of the remedies available to the Corporation hereunder, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment.

Section 8.07 No Additional Waiver. Failure of the Corporation to take advantage of any default on the part of the District shall not be, or be construed as, a waiver thereof, nor shall any custom or practice that may grow up between the parties in the course of administering this Lease Purchase Agreement 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 the same or any subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Lease Purchase Agreement.

Section 8.08 Application of Amounts Collected. All amounts collected by the Corporation under this Article shall be credited towards the Rental Payments in order of Payment Dates.

IN WITNESS WHEREOF, the Corporation has executed this Lease Purchase Agreement in its name and the District has caused this Lease Purchase Agreement to be executed in its name by its duly authorized officer, all as of the date first above written.

LESSOR:

**PUBLIC PROPERTY FINANCING
CORPORATION OF CALIFORNIA**

Stefan A. Morton
Treasurer

LESSEE:

CORONADO UNIFIED SCHOOL DISTRICT

Donnie Salamanca, CPA
Assistant Superintendent

NOTARY ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____ before me, _____,
Notary Public,

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

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

WITNESS my hand and official seal

(Seal)
SIGNATURE OF NOTARY PUBLIC

EXHIBIT A

SCHEDULE OF RENTAL PAYMENTS

<u>PAYMENT</u> <u>DATE</u>	<u>PRINCIPAL</u> <u>PORTION</u>	<u>INTEREST</u> <u>PORTION</u>	<u>TOTAL</u> <u>PAYMENT</u>
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Total

Effective Interest Rate: 2.655%

EXHIBIT B

DESCRIPTION OF THE FACILITIES

The Facilities shall consist of Coronado Village Elementary located at 600 6th Street, Coronado, California.

The legal description of the Facilities is as follows:

All of Resubdivision of Block 93 of Coronado Beach South Island, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 1616, filed in the Office of the County Recorder of San Diego County December 9, 1913, together with that portion of Del Rey Drive vacated and closed to public use in that certain Resolution No. 1655, filed in the Office of the County Recorder of San Diego County, May 18, 1945, in Book 1861, Page 214 of Official Records. Also together with Northwest half of Lot G Avenue adjoining said Block on the Northeast, and those portions of H Street, Sixth Street and Seventh Street all adjoining said Block as said Streets were vacated and closed to public use in that certain Resolution No. 4103, filed in the Office of the County Recorder of San Diego County, January 3, 1973 as File No. 73-002189 of Official Records and recorded January 17, 1973 as File No. 73-015016 of Official Records.

APN: 536-442-05-00; 536-442-06-00; 536-442-07-00; 536-442-08-00

EXHIBIT C

GENERAL DESCRIPTION OF THE PROJECT

The District plans to apply the proceeds deposited to the Project Cost Fund to finance the costs of facility construction, repairs and improvements and technology acquisitions and upgrades.

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Lease Purchase Agreement, dated as of June 1, 2020, from the Public Property Financing Corporation of California to Coronado Unified School District ("District"), is hereby accepted by the undersigned officer on behalf of the District pursuant to the authority conferred by the adopted resolution of the District, and the District consents to the recordation thereof by its duly authorized officer.

Dated as of June 1, 2020

CORONADO UNIFIED SCHOOL DISTRICT

BY: _____
Donnie Salamanca, CPA
Assistant Superintendent