Viewing Instructions

This file has been indexed or bookmarked to simplify navigation between documents. If you are unable to view the document index, download the file to your local drive and open it using your PDF reader (e.g. Adobe Reader).

ANTIOCH UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 2013-14-01

A RESOLUTION OF THE BOARD OF EDUCATION OF THE ANTIOCH UNIFIED SCHOOL DISTRICT AUTHORIZING EXECUTION OF LEASE FINANCING DOCUMENTS TO FINANCE A QUALIFIED ZONE ACADEMY PROGRAM, AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, the Antioch Unified School District (the "District") has submitted six Qualified Zone Academy Bond Applications to the State of California Department of Education, School Facilities Planning Division (the "Department"), which were approved to provide financing in the maximum amount of $30,000,000 for an educational program of the District (the "QZAB Program"), which consists generally of solar energy facilities, classroom improvements, and energy upgrades (the "Equipment") to be installed at or constructed for the benefit of the Engineering and Designing a Green Environment Academy (Antioch High School), the Bio-Medical Academy (Antioch High School), the Pathway to Engineering Academy (Deer Valley High School), the Gateway to Technology Academy (Park Middle School), the Gateway to Technology "EDGE" Academy (Dallas Ranch Middle School), and the Project Lead the Way (PLTW) Elementary School Academy (Jack London Elementary School), and other school campuses, such Equipment to benefit 20 schools in the District, and all District schools to participate in the PLTW or STEM academies, as more particularly described in the District's applications to the Department and a Supplemental QZAB Memorandum to the Department relating to the applications; and

WHEREAS, upon funding of the QZAB Program, the District will work with PLTW to clarify the educational plan the District submitted to the Department, including the strategic selection of final host campuses; PLTW courses and programs to be offered students; and timing for implementing the PLTW courses and programs (the "PLTW Implementation Plan"); and

WHEREAS, the Public Property Financing Corporation of California (the "Corporation") has been formed to provide financial assistance to public agencies by financing various facilities, land and equipment, and by leasing facilities, land and equipment for the use of such public agencies; and

WHEREAS, the District has received a proposal from Banc of America Leasing & Capital, LLC (the "Lender") to enter into a lease financing obligation to finance the costs of the QZAB Program: and

WHEREAS, in order to provide financing for the QZAB Program, the District has proposed to lease certain real property consisting generally of the Dallas Ranch Middle School, or such other property as the District's Superintendent may designate (the "Leased Property"), to the Corporation for an up-front rental payment (the "Site Lease Payment") which is sufficient for that purpose, under a Site Lease, between the District and the Corporation (the "Site Lease"), and the Corporation has proposed to lease the Leased Property back to the District in consideration of the payment by the District of annual lease payments as the rental for the Leased Property (the

"Lease Payments") payable under a Taxable Lease Agreement (Qualified Zone Academy Bonds, Tax Credit), between the Corporation and the District (the "Lease Agreement"); and

WHEREAS, in order to secure the prompt payment and performance as and when due of all of the District's obligations under the Lease Agreement, the District will also grant to the Corporation a first priority security interest in the Equipment located on the Leased Property and all replacements, repairs, restorations, modifications, improvements, substitutions, accessions and proceeds (cash and non-cash) thereof, including the proceeds of all insurance policies and condemnation awards with respect thereto (the "Leased Property Equipment"); and

WHEREAS, in order to provide a source of financing to fund the Site Lease Payment, the Corporation has proposed to enter in an Assignment Agreement (the "Assignment Agreement"), between the Corporation and the Lender and its successors and assigns (the "Assignee"), under which the Corporation will assign its right to receive the Lease Payments to the Assignee; and

WHEREAS, the District shall enter into a Program Fund Agreement (the "Program Fund Agreement") with Deutsche Bank Trust Company Americas (the "Custodian Bank"), the Corporation and the Assignee, whereby the Custodian Bank will hold the proceeds of the Lease Agreement in a program fund, administer the payment of QZAB Program Costs, and invest such proceeds; and

WHEREAS, the Board of Trustees wishes at this time to authorize all proceedings relating to the execution, delivery and sale of the lease financing and the approval of all agreements and documents relating thereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Antioch Unified School District as follows:

SECTION 1. *Approval of Financing Documents*. For the purpose of providing funds to finance the QZAB Program, the Board of Trustees hereby approves the following financing documents in substantially the respective forms on file with the Clerk of the Board and attached hereto, together with any changes therein or additions thereto deemed advisable by the President of the Board, or such other member of the Board as the President may designate, the Superintendent of the District, the Assistant Superintendent, Business Services of the District, or such other officer or employee of the District as the Superintendent may designate (each, an "Authorized Officer"), whose execution thereof shall be conclusive evidence of approval thereof:

(a) Site Lease between the District and the Corporation, whereby the District leases the Leased Property to the Corporation in consideration of the payment by the Corporation to the District of a Site Lease Payment, which will be used to finance the QZAB Program.

(b) Lease Agreement, between the District and the Corporation, whereby the District leases the Leased Property back from the Corporation and agrees to pay annual

lease payments as rental for the Leased Property and whereby the District grants the Corporation a first priority security interest in the Leased Property Equipment.

(c) Purchase Agreement, among the District, the Corporation and the Lender, under which the District agrees to enter into the Lease Agreement and the Lender, as assignee, agrees to purchase the Lease Payments payable by the District under the Lease Agreement, to fund the QZAB Program.

(d) Program Fund Agreement, among the District, the Corporation, the Lender, as assignee, and the Custodian Bank, as custodian.

The Board of Trustees authorizes and directs the Authorized Officer to execute, and the Clerk of the Board to attest, the final form of each of the foregoing documents for and in the name of the District. The lease of the Leased Property by the Corporation to the District and the grant to the Corporation of a first priority security interest in the Leased Property Equipment shall be upon the terms and conditions set forth in the Lease Agreement, which is hereby incorporated in this resolution by this reference.

SECTION 2. *Public Hearing; Determination that Lease Payments for the Equipment are Self-Funding.* The Board of Trustees has held a public hearing regarding approval of the Site Lease and Lease Agreement, as required by Section 4217.13 of the Government Code, and has determined that funds for the repayment of the Lease Payments due under the Lease Agreement, are projected to be available from revenues resulting from sales of electricity or thermal energy from the Equipment or from funding that otherwise would have been used for purchase of electrical, thermal, or other energy required by the District in the absence of the Equipment, or both.

SECTION 3. *Approval of Lease Financing.* The Board of Trustees hereby approves the lease transactions described above relating to the Leased Property. The Board of Trustees hereby approves the Site Lease, the Lease Agreement, the Purchase Agreement and the Program Fund Agreement, each in substantially the forms on file with the Clerk and attached hereto, together with any changes therein or additions thereto deemed advisable by the Authorized Officer, whose execution thereof shall be conclusive evidence of such approval, provided that the principal amount of the lease financing does not exceed $29,999,000.

SECTION 4. *Official Actions.* The President, the Superintendent, the Assistant Superintendent Business Services, and any and all other officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, including but not limited to agreements which are necessary or convenient to accomplish the lease financing transactions and filing requirements for tax credit payments from the U.S. Treasury, which they, or any of them, may deem necessary or advisable in order to consummate any of the transactions contemplated by the documents approved pursuant to this resolution including the agreements for services on file with Jones Hall as Bond Counsel and MuniBond Solar as consultant and placement agent. Whenever in this resolution any action is

authorized to be taken by an officer of the District and such officer is absent or unavailable, such action may be taken on behalf of the District by any designee of such officer.

SECTION 5. *Authority to Finalize PLTW Implementation Strategy.* The Board of Trustees hereby authorizes the Superintendent and/or his designee to negotiate a final agreement with PLTW as further described and attached to the Contract for Design and Construction with SunPower Corporation, Systems, that the Board considered contemporaneously with this Resolution and to bring that final agreement to the Board for approval.

SECTION 6. *Effective Date*. This Resolution shall take effect from and after the date of its passage and adoption.

APPROVED, PASSED AND ADOPTED by the Board of Education of the Antioch Unified School District on this 11th day of July, 2013 by the following vote:

AYES: 4
NOES: 0
ABSTAIN: 0
ABSENT: 1

Joyann E. Motts
President of the Board of Trustees
Antioch Unified School District

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regularly called and conducted meeting held on said date.

Donald Gill, EdD
Secretary of the Board of Trustees
Antioch Unified School District

Attachments:

Attachment A – Site Lease
Attachment B – Lease Agreement
Attachment C – Purchase Agreement
Attachment D – Program Fund Agreement

PROGRAM FUND AGREEMENT

This PROGRAM FUND AGREEMENT (this "Agreement"), dated as of July 1, 2013, is among BANC OF AMERICA LEASING & CAPITAL, LLC, and its successors and assigns (the "Assignee"), PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), ANTIOCH UNIFIED SCHOOL DISTRICT, a unified school district duly organized and existing under the laws of the State of California (the "District"), and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation, duly organized as a trust company existing under the laws of the State of New York (the "Custodian").

Reference is made to that certain Taxable Lease Agreement (Qualified Zone Academy Bond, Tax Credit) dated as of July 1, 2013, between the Corporation and the District (the "Lease"), relating to the financing of solar energy facilities and energy upgrades to be located at the school sites identified in the Lease (the "QZAB Program"). Reference is further made to that certain Assignment Agreement dated as of July 1, 2013, between the Corporation and the Assignee, under which the Corporation has assigned its rights under, among other things, the Site Lease, the Lease, certain equipment, this Program Fund Agreement and the funds established hereunder, to the Assignee, including the right to receive lease payments payable by the District under the Lease. It is a requirement of the Lease that the funds for the acquisition and installation of the QZAB Program be deposited with the Custodian hereunder for the purpose of providing a mechanism for the application of such amounts to the payment of Program Costs. Capitalized terms used in this Agreement and not otherwise defined will have the respective meanings given such terms in the Lease.

The parties agree as follows:

1. Creation of QZAB Program Fund; Costs of Issuance Account.

(a) There is hereby created a special trust fund to be known as the "Antioch Unified School District QZAB Program Fund" (the "QZAB Program Fund"), and within said Fund, the Costs of Issuance Account, which is to be held in trust by the Custodian for the purposes stated herein, for the benefit of the Corporation, the Assignee and the District, to be held, disbursed and returned in accordance with the terms hereof.

On the date hereof, from proceeds of the Lease, the District has caused the amount of $29,729,900 to be transferred to the Custodian for deposit into the QZAB Program Fund, and $269,100 to be deposited in the Costs of Issuance Account.

(b) The Custodian will invest and reinvest moneys on deposit in the QZAB Program Fund therein in Qualified Investments (as defined herein) in accordance with written instructions received from the District. The District will be solely responsible for ascertaining that all proposed investments and reinvestments are Qualified Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Custodian for the reinvestment of any maturing investment. Accordingly, none of the Custodian, the Corporation or the Assignee has any responsibility for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the QZAB

Program Fund, and the District agrees to and does hereby release the Custodian, the Corporation and the Assignee from any such liability, cost, expenses, loss or claim. Interest on the QZAB Program Fund will become part of the QZAB Program Fund, and gains and losses on the investment of the moneys will be borne by the QZAB Program Fund. For purposes of this Agreement, the term "Qualified Investments" means any investments that meet the requirements of Sections 53601 and 53635 of the California Government Code.

(c) The District covenants that all investments of amounts deposited in the QZAB Program Fund or other fund containing gross proceeds of the Lease will be acquired, disposed of, and valued at the fair market value thereof. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code") will be valued at their present value. Terms used in this subsection (d) have the meanings given them in the applicable provisions of the Tax Code. The Custodian shall be under no duty or liability with respect to monitoring compliance with this Section 1(e).

(d) Unless all amounts in the QZAB Program Fund are used to pay Lease Payments, or the Program Fund is closed in accordance with Section 8.2(e) of the Lease, amounts in the QZAB Program Fund will be disbursed by the Custodian in payment of amounts described in Section 2 upon receipt of written authorization(s) from the District, as more fully described in Section 2. If the amounts in the QZAB Program Fund are insufficient to pay such amounts, the District will provide any balance of the funds needed to complete the acquisition, equipping and installation of the QZAB Program.

(e) The QZAB Program Fund will be closed at the later of (i) July 25, 2016, or (ii) if the District has obtained an extension for the expenditure for the QZAB Program of amounts in accordance with Section 54A(d)(2) of the Tax Code, by the close of the extended period. However, the QZAB Program Fund will be closed at any time upon written notice given by the Assignee of the occurrence of a default under or termination of the Lease.

(g) The Custodian may act in reliance upon any writing or instrument or signature which it, in good faith, reasonably believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Custodian is not liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder will be limited to the receipt of such moneys, instruments or other documents received by it as the Custodian, and for the disposition of the same in accordance herewith.

(h) Unless the Custodian is guilty of gross negligence or willful misconduct with regard to its duties hereunder, the District agrees to and does hereby release and indemnify the Custodian and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as the Custodian under this Agreement; and in connection therewith, does to the extent permitted by law indemnify the Custodian against any and all expenses; including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

(i) The Custodian may consult with counsel of its own choice and will have full and complete authorization and protection with the opinion of such counsel. The

Custodian will otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its negligence or willful misconduct.

(j) The District shall reimburse the Custodian for all reasonable costs and expenses, including those of the Custodian's attorneys, agents and employees incurred for extra-ordinary administration of the QZAB Program Fund and the performance of the Custodian's powers and duties hereunder in connection with any Event of Default under the Lease, or in connection with any dispute between the Assignee and District concerning the QZAB Program Fund.

(k) The Custodian or any successor may at any time resign by giving mailed notice to the District and the Assignee of its intention to resign and of the proposed date of resignation, which shall be a date not less than 30 days after such notice is deposited in the United States mail with postage fully prepaid, unless an earlier resignation date and the appointment of a successor shall have been or are approved by District and Assignee. Upon delivery of such notice, the Custodian shall be under no further obligation except to hold the QZAB Program Fund in accordance with the terms of this Agreement, pending receipt of written instructions from Assignee regarding further disposition of the QZAB Program Fund. Except as otherwise specifically provided herein, the Custodian may not delegate, transfer or assign any of the rights, duties, powers or remedies granted to the Custodian hereunder without the prior written consent of District and Assignee.

(l) The Custodian shall have no responsibilities, obligations or duties other than those expressly set forth in this Agreement and no fiduciary or implied duties responsibilities or obligations shall be read into this Agreement.

2. Acquisition, Equipping and Installation of QZAB Program.

(a) Acquisition Contracts. The District will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition, equipping and installation of the QZAB Program, with moneys available in the QZAB Program Fund in accordance with the Lease. The District represents its expectation that the estimated costs of the QZAB Program will be provided for with funds deposited in the QZAB Program Fund, together with other funds available to the District, and the Corporation makes no warranty or representation with respect thereto. The Corporation has no liability under any of the acquisition contracts. The District will obtain, or cause to be obtained, all necessary permits and approvals, if any, for the acquisition, equipping and installation of the QZAB Program, and the operation and maintenance thereof.

(b) Authorized QZAB Program Fund Disbursements. Disbursements from the QZAB Program Fund will be made for the purpose of paying (including the reimbursement to the District for advances from its own funds to accomplish the purposes hereinafter described) the cost of acquiring and equipping the QZAB Program. To the extent necessary for federal tax purposes, as determined by the District, disbursements from the QZAB Program Fund will be applied on a pro rata basis to the District's allocation of State QZAB volume cap (as requested in the District's applications to the California Department of Education).

(c) Requisition Procedure. Prior to disbursement from the QZAB Program Fund there will be filed with the Custodian a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1. Each such requisition will be

signed by the Superintendent or the Assistant Superintendent, Business Services, or other authorized representative of the District (each, an "Authorized Representative").

3. Payment of Costs of Issuance. The Custodian shall keep the Costs of Issuance Account separate and apart from all other funds and moneys held by it, and shall administer such account as provided herein. There shall be deposited in the Costs of Issuance Account from the proceeds of the sale of the Lease Payments the amount required to be deposited therein pursuant to Section 1 hereof. No more than 2% of the proceeds of the Lease ($599,980) will be used to pay Costs of Issuance. Any Costs of Issuance in excess of 2% of the proceeds of the Lease will be paid by the District.

Amounts in the Costs of Issuance Account shall be disbursed by the Custodian to pay Costs of Issuance as defined in the Lease only upon a receipt of an executed Disbursement Request substantially in the form attached hereto as Schedule 2.

Upon payment of all Costs of Issuance, which shall be determined by a Certificate of the Authorized Representative to the effect, and in any event not later than three (3) months after July 25, 2013, the Custodian shall close the Costs of Issuance Account and transfer any funds remaining therein to the QZAB Program Fund as directed by the District.

4. Deposit to QZAB Program Fund. Upon satisfaction of the conditions specified in Section 3.1 of the Lease, the Corporation will cause the Lease proceeds to be deposited in the QZAB Program Fund. The District agrees to pay any costs with respect to the QZAB Program in excess of amounts available therefor in the QZAB Program Fund.

5. Excess QZAB Program Funds. Subject to Section 8.2(e) of the Lease and pursuant to Section 9.3(b) of the Lease, following the closing of the QZAB Program Fund as otherwise provided herein, the Custodian will transfer any remainder from the QZAB Program Fund to the District to be used to pay the next principal component of the Lease Payment coming due.

6. Security Interest. The Custodian and the District acknowledge and agree that the QZAB Program Fund and all proceeds thereof are being held by the Custodian for disbursement or return as set forth herein. The District hereby grants to the Assignee a first priority perfected security interest in the QZAB Program Fund, and all proceeds thereof, and all investments made with any amounts in the QZAB Program Fund. If the QZAB Program Fund or any part thereof is converted to investments as set forth in this Agreement, such investments will be made in the name of the Custodian and the Custodian hereby agrees to hold such investments as bailee for the Assignee so that the Assignee is deemed to have possession of such investments for the purpose of perfecting its security interest.

7. Control of QZAB Program Fund. In order to perfect the Assignee's security interests by means of control in (i) the QZAB Program Fund established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the QZAB Program Fund, (iii) all of the District's rights in respect of the QZAB Program Fund, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "Collateral"), the Corporation, the District and the Custodian further agree as follows:

(a) All terms used in this Section 7 which are defined in the Commercial Code of the State of California ("Commercial Code") but are not otherwise defined herein will have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.

(b) The Custodian will comply with all entitlement orders received in writing and originated by the Assignee with respect to the Collateral, or any portion of the Collateral, without further consent by the District.

(c) The Custodian hereby represents and warrants (a) that the records of the Custodian show that the District is the sole owner of the Collateral, (b) that the Custodian has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than the Assignee's claim under this Agreement, and (c) that the Custodian is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that the Custodian is obligated to accept from the Corporation under this Agreement and entitlement orders that the Custodian, subject to the provisions of paragraph (e) below, is obligated to accept from the District.

(d) Without the prior written consent of the Assignee, the Custodian will not enter into any agreement by which the Custodian agrees to comply with any entitlement order of any person other than the Assignee or, subject to the provisions of paragraph (e) below, the District, with respect to the Assignee's interest in the Collateral. The Custodian will promptly notify the Assignee if any person requests the Custodian to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, the Custodian may allow the District to effect sales, trades, transfers and exchanges of Collateral within the QZAB Program Fund, but will not, without the prior written consent of the Assignee, allow the District to withdraw any Collateral relating to the Assignee's interest from the QZAB Program Fund. The Custodian acknowledges that the Assignee reserves the right, by delivery of written notice to the Custodian, to prohibit the District from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral relating to the Assignee's interest held in the QZAB Program Fund. Further, the Custodian hereby agrees to comply with any and all written instructions delivered by the Assignee to the Custodian (once it has had a reasonable opportunity to comply therewith) relating to the Assignee's interest and has no obligation to, and will not, investigate the reason for any action taken by the Assignee, the amount of any obligations of the District to the Assignee, the validity of any of the Assignee's claims against or agreements with the District, the existence of any defaults under such agreements, or any other matter.

(f) The District hereby irrevocably authorizes the Custodian to comply with all instructions and entitlement orders delivered by the Assignee to the Custodian in relation to the Assignee's interest.

(g) The Custodian will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and the Custodian will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) The Custodian and the District hereby agree that any property held in the QZAB Program Fund will be treated as a financial asset under such section of the Commercial Code as corresponds with Section 8-102 of the Uniform Commercial Code, notwithstanding any contrary provision of any other agreement to which the Custodian may be a party.

(i) The Custodian is hereby authorized and instructed, and hereby agrees, to send to the Assignee at its address set forth in Section 9 below, concurrently with the sending thereof to the District, duplicate copies of any and all monthly QZAB Program Fund statements or reports issued or sent to the District with respect to the QZAB Program Fund.

8. Information Required Under USA PATRIOT ACT. The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Custodian such information as it may request, from time to time, in order for the Custodian to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

8. Miscellaneous. This Agreement may not be amended except in writing signed by the District, the Corporation and the Custodian, with the prior written consent of the Assignee. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original instrument and each will have the force and effect of an original and all of which together constitute, and will be deemed to constitute, one and the same instrument. Notices hereunder will be made in writing and will be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below:

If to the District:	Antioch Unified School District 510 G Street Antioch, California 94509 Attention: Associate Superintendent, Business and Operations
If to the Assignee:	Banc of America Leasing & Capital, LLC 11333 McCormick Road Hunt Valley II M/C MD5-032-07-05 Hunt Valley, MD 21031 Attention: Contract Administration Fax: (443) 556-6977

If to the Custodian: Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor
New York, NY 10005
Attn: Lisa McDermid
Phone: 212-250-6674
Fax: 917-472-1575

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Program Fund Agreement as of the date first above written.

ANTIOCH UNIFIED SCHOOL DISTRICT

By _____
Donald Gill, Ed.D.
Superintendent

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Custodian

By _____
Vice President

By _____
Vice President

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Assignor

By _____
William A. Morton
Secretary/Treasurer

BANC OF AMERICA LEASING & CAPITAL, LLC, as Assignee

By _____
Vice President

IN WITNESS WHEREOF, the parties have executed this Program Fund Agreement as of the date first above written.

ANTIOCH UNIFIED SCHOOL DISTRICT

By _____
Superintendent

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Custodian

By _____
Vice President

By _____
Assistant Vice President

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Assignor

By _____
William A. Morton
Secretary/Treasurer

BANC OF AMERICA LEASING & CAPITAL, LLC, as Assignee

By _____
Vice President

IN WITNESS WHEREOF, the parties have executed this Program Fund Agreement as of the date first above written.

ANTIOCH UNIFIED SCHOOL DISTRICT

By _____
Donald Gill, Ed.D.
Superintendent

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Custodian

By _____
Vice President

By _____
Vice President

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Assignor

By _____
William A. Morton
Secretary / Treasurer

BANC OF AMERICA LEASING & CAPITAL, LLC, as Assignee

By _____
Vice President

IN WITNESS WHEREOF, the parties have executed this Program Fund Agreement as of the date first above written.

ANTIOCH UNIFIED SCHOOL DISTRICT

By _____
Donald Gill, Ed.D.
Superintendent

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Custodian

By _____
Vice President

By _____
Vice President

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Assignor

By _____
William A. Morton
Secretary/Treasurer

BANC OF AMERICA LEASING & CAPITAL, LLC, as Assignee

By _____
Vice President

SCHEDULE 1

FORM OF DISBURSEMENT REQUEST
(QZAB Program Fund Disbursement)

Re: Taxable Lease Agreement (Qualified Zone Academy Bond, Tax Credit) dated as of July 1, 2013, between Public Property Financing Corporation of California and Antioch Unified School District (the "Lease")

In accordance with the terms of the Program Fund Agreement dated as of July 1, 2013 (the "Program Fund Agreement") among the Antioch Unified School District (the "District") and Deutsche Bank Trust Company Americas (the "Custodian"), the undersigned hereby requests the Custodian pay the following persons the following amounts from the QZAB Program Fund created under the Program Fund Agreement (the "QZAB Program Fund") for the following purposes:

Payee's Name and Address	Dollar Amount	Purpose

The undersigned hereby certifies as follows:

(i) An obligation in the stated amount has been incurred by the District, and the same is a proper charge for costs relating to the QZAB Program for which amounts are eligible to be expended under the Program Fund Agreement. Such obligation either (a) has not been previously paid by the District, or (b) has been previously paid by the District in an amount which is not less than the amount for which the District is requesting to be reimbursed under this request. Attached hereto is the invoice with respect to such obligation or, if the District is requesting reimbursement, documentation evidencing that the District has previously paid such obligation.

(ii) The undersigned, as Authorized Representative, has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iii) This requisition contains no item representing payment on account, or any retained percentages which the District is, at the date hereof, entitled to retain.

(iv) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof.

(v) No material adverse change in the District's financial condition has occurred since the date of the Lease.

(vi) The representations, warranties and covenants of the District set forth in the Lease are true and correct as of the date hereof.

(vii) The Leased Property Equipment is insured as required by the Lease.

Dated: **ANTIOCH UNIFIED SCHOOL DISTRICT**

By _____
Title:

SCHEDULE 2

FORM OF DISBURSEMENT REQUEST
(Costs of Issuance Account Disbursement)

Re: Taxable Lease Agreement (Qualified Zone Academy Bond, Tax Credit) dated as of July 1, 2013, between Public Property Financing Corporation of California and Antioch Unified School District (the "Lease")

In accordance with the terms of the Program Fund Agreement dated as of July 1, 2013 (the "Program Fund Agreement") between Antioch Unified School District (the "District") and Deutsche Bank Trust Company Americas (the "Custodian"), the undersigned hereby requests the Custodian pay the following persons the following amounts from the Costs of Issuance Account of the QZAB Program Fund created under the Program Fund Agreement (the "Costs of Issuance Account") for the following purposes:

Payee's Name and Address	Dollar Amount	Purpose

The undersigned hereby certifies as follows:

(i) An obligation in the stated amount has been incurred by the District, and the same is a proper charge against the Costs of Issuance Account for costs of issuance relating to the Lease for which amounts are eligible to be expended under the Program Fund Agreement. Such obligation either (a) has not been previously paid by the District, or (b) has been previously paid by the District in an amount which is not less than the amount for which the District is requesting to be reimbursed under this request. Attached hereto is the invoice with respect to such obligation or, if the District is requesting reimbursement, documentation evidencing that the District has previously paid such obligation.

(ii) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof.

(iii) The representations, warranties and covenants of the District set forth in the Lease are true and correct as of the date hereof.

Dated: **ANTIOCH UNIFIED SCHOOL DISTRICT**

By _____
Title:

PURCHASE AGREEMENT

July 12, 2013

Antioch Unified School District
510 G Street
Antioch, California 94509

Re: Purchase Contract for Financing under Taxable Lease Agreement (Qualified Zone Academy Bonds, Tax Credit) of Antioch Unified School District, as Lessee

Ladies and Gentlemen:

Banc of America Leasing & Capital, LLC (in such capacity, the "Assignee") hereby offers to provide financing for Antioch Unified School District, California (the "District") for the QZAB Program described in the hereinafter defined Lease, by entering into that certain Assignment Agreement dated as of July 1, 2013 (the "Assignment Agreement") between the Assignee and Public Property Financing Corporation of California, a nonprofit public benefit corporation organized under the laws of the State of California (the "Corporation"), under which the Corporation will assign and transfer to the Assignee certain rights and interests of the Corporation under that certain Site Lease dated as of July 1, 2013 (the "Site Lease") to be entered into between the District, as lessor, and the Corporation, as lessee, and that certain Taxable Lease Agreement (Qualified Zone Academy Bonds, Tax Credit) dated as of July 1, 2013 (the "Lease"), to be entered into between the Corporation, as lessor, and the District, as lessee, providing for the lease and lease-back of certain Leased Property (therein described). The District, the Corporation and the Assignee have heretofore agreed upon the substantially final forms of the Site Lease, the Lease and the Assignment Agreement. This offer is made subject to the District's acceptance hereof on or before 11:59 p.m., Pacific time, on the date hereof, at which time this offer expires if not accepted.

Upon the District's acceptance of this offer, a contract will be formed and be binding upon the District and the Assignee. On the terms and conditions set forth below, (a) the Assignee hereby agrees to execute and deliver to the Corporation, and the District hereby agrees to cause the Corporation to execute and deliver to the Assignee, the Assignment Agreement; (b) the District hereby agrees to execute and deliver to the Assignee, and the District hereby agrees to cause the Corporation to execute and deliver to the District and the Assignee, the Site Lease, the Lease and the Program Fund Agreement (the "Program Fund Agreement") to be entered into among the District, the Assignee and the Program Fund Custodian therein identified; and (c) the District hereby consents to the assignment and transfer of the Equipment to be financed by the Lease and located on the Leased Property, the Site Lease, the Lease and the Program Fund Agreement , by the Corporation to the Assignee pursuant to the Assignment Agreement:

Description and Amount:	$29,999,000 Taxable Lease Agreement (Qualified Zone Academy Bonds, Tax Credit), to be dated as of the Closing Date (described below).

Purchase Price:	$29,999,000, which equals 100% of the aggregate principal component of Lease Payments under the Lease (there being no accrued interest).

Interest Rate:	1.16% per annum (computed on a 360 day year of twelve 30 day months) commencing to accrue on the Closing Date; the interest component of Lease Payments will be subject to federal income taxation.
Tax Credit:	The credit against federal income tax that is allowed under Section 54A of the Internal Revenue Code of 1986, as amended (the "Code") to a taxpayer holding all or part of a "qualified zone academy bond" as defined in section 54E of the Code on one or more credit allowance dates, as defined in Section 54A(e)(1) of the Code.
Tax Credit Rate:	The Tax Credit Rate applicable to the Lease will be set as of the date hereof upon acceptance of this offer by the Board of Trustees of the District, and shall be 5.26%, as evidenced by Exhibit B hereof.
Credit Allowance Dates:	Quarterly on each March 15, June 15, September 15 and December 15, commencing September 15, 2013, over the term of the Lease and on the final maturity date of the Lease.

Loss of Qualified Zone Academy Bond Status:	If any owner or holder of all or part of the Lease (the "Holder"), either (i) receives notice, in any form, from the Internal Revenue Service that due to a final determination of the Internal Revenue Service or a court of competent jurisdiction (after the District has exhausted all administrative appeal remedies), or (ii) reasonably determines, based on an opinion of an independent tax counsel selected by such Holder and approved by the District, which approval the District will not unreasonably withhold, in either case that the Lease is not a "qualified zone academy bond" as defined in Section 54E of the Code then the District shall pay to the Holder, within thirty (30) days after the Holder notifies the District of such determination or opinion, the amount which, taking into account all penalties, fines, interest and additions to tax that are imposed on the Holder as a result of the loss of "qualified zone academy bond" status for the Lease owned by such Holder, will restore to the Holder the same after-tax yield on the Lease that the Holder would have realized from the date of execution and delivery of the Lease to the date of such determination, had the loss of "qualified zone academy bond" status or prepayment or deemed prepayment not occurred. In addition, the District agrees that upon the occurrence of such an event, it will pay an additional amount, on each Credit Allowance Date (as defined in Section 54A of the Code) occurring after the date on which the first additional payment was made by the District pursuant to the preceding sentence, as will maintain such after-tax yield to the Holder through such Credit Allowance Date as long as the Holder holds all or a portion of the Lease. Such Holder shall provide the District a certificate setting forth the calculation made by it to determine the amount of such additional payments. In the event that the District makes any payment to a Holder as described in this paragraph and it is subsequently determined, pursuant to a final, conclusive and non-appealable decision of the Internal Revenue Service or a court of competent jurisdiction that the Lease constitutes a "qualified zone academy bond", the District shall be entitled to reimbursement for all amounts so paid to such Holder as described in this paragraph.

Purpose of Site Lease, Lease and Assignment Agreement:	Financing for solar energy facilities and other energy efficiency upgrades to be located at the school sites listed on Appendix A of the Lease Agreement, and known as the Antioch Unified School District Qualified Zone Academy (collectively, the "QZAB Program"), that constitute a "qualified zone academy within the meaning of section 54E(d)(1) of the Internal Revenue Code of 1986, as amended (the "Code"), including an amount to pay costs of issuance (not to exceed the 2% limitation).

Source of Payment and Security:	Lease Payments under the Lease are payable from the District's general fund or other funds that are legally available for that purpose. Except for the abatement of Lease Payments upon the occurrence of certain events of damage, destruction or condemnation, the District's obligations to make Lease Payments and to perform its other obligations under the Lease shall be absolute and unconditional in all events without diminution, deduction, set-off or defense for any reason, including (without limitation) (i) any failure or lack of completion of all or part of the QZAB Program, (ii) any dispute with any vendor or other entity with respect to all or part of the QZAB Program, (iii) the failure or inability (for whatever reason) of the District to receive revenues resulting from sales of electricity or thermal energy from any part of the QZAB Program, (iv) any failure of below-market energy purchases or other benefits provided by the QZAB Program to make-up the difference between the fair rental value for the Leased Property and the Lease Payments or (v) any failure of the QZAB Program to provide electrical energy or conservation services that are less than the anticipated marginal cost to the District of thermal, electrical, or other energy that would have been consumed by the District in the absence of the Lease and/or the QZAB Program. The Assignee (as the Corporation's assignee pursuant to the Assignment Agreement) will be entitled to the Corporation's rights and interests as lessee in the leasehold estate created under the Site Lease and as lessor in the leasehold estate created under the Lease.

The District's obligations under the Lease shall also be secured by a first (and exclusive) priority pledge and security interest in the Equipment located on the Leased Property, the QZAB Program Fund and the Costs of Issuance Account in which the proceeds of assignment and transfer of the Site Lease and the Lease pursuant to the Assignment Agreement are deposited and held until applied for the purposes described above, including money and securities held therein and any investment earnings thereon, as provided in the Program Fund Agreement (the "Program Fund Agreement") to be entered into among the District, the Assignee, the Corporation and the Program Fund Custodian therein identified.

Lease Payments:	Lease Payments under the Lease, consisting of a principal portion and an interest portion, will be payable on the dates (as may be adjusted to correspond with the actual Closing Date) and in the amounts set forth on Exhibit A hereto.

Lease Term:	From the Closing Date to June 16, 2030, subject to a ten year extension as provided in the Lease, except that in no event will the stated term of the Lease exceed the maximum term established by the Secretary of the Treasury that is applicable to the Lease.

Mandatory, Optional and Extraordinary Prepayment Provisions:	Lease Payments under the Lease will not be subject to optional or extraordinary prepayment by the District prior to the final Lease Payment due date, except in the following circumstances:

- Mandatory Excess Proceeds Prepayment. To the extent that less than 100% of the available project proceeds are expended for qualified purposes by the first business day immediately succeeding a Credit Allowance Date no later than the 90th day following the later of July 25, 2016 or, if the District has obtained an extension of the expenditure period from the Secretary of the Treasury, the first business day immediately succeeding a Credit Allowance Date no later than the 90th day following the end of such extended period, all amounts then remaining in the QZAB Program Fund will be applied to prepay Lease Payments on the prepayment date, at the prepayment price (including prepayment premium) and on the other terms and conditions as provided in Section 9.3(b) of the Lease. In connection with any such prepayment, the District shall pay the prepayment premium and interest accrued to the prepayment date on the prepaid principal portion from funds legally available to the District for that purpose, but not from available project proceeds.

- Optional Prepayment. The District shall have the option to prepay all, but not less than all, of the unpaid principal components of the Lease Payments on the first business day following a Credit Allowance Date, from and after September 16, 2014, at the purchase amount (including prepayment premium) and on the other terms and conditions as provided in Section 9.2(a) of the Lease and Exhibit A hereto.

The District shall have the option to prepay up to $6,000,000 of the principal component of the Lease Payments on June 16, 2014 at par.

- Extraordinary Optional Prepayment Upon Damage, Destruction or Condemnation. The District shall prepay the unpaid principal components of the Lease Payments in whole or in part on the first business day following a Credit Allowance Date, from and to the extent that the District determines to apply the Net Proceeds realized upon the occurrence of certain events of damage, destruction or condemnation of Leased Property (in lieu of repairing or replacing the affected Leased Property), on the day specified in the District's prepayment notice to the Corporation (which shall be the earlier of the next Lease Payment due date or 60 days after the casualty event) at the prepayment price (including prepayment premium) and on the other terms and conditions as provided in Section 9.3(a) of the Lease.

- Extraordinary Optional Prepayment Upon Loss of Qualified Zone Academy Bond Status. The District shall have the option to prepay all, but not less than all, of the unpaid principal components of the Lease Payments, on the first business day following a Credit Allowance Date within 180 days of a Loss of Qualified Zone Academy Status (as defined in Section 4.5 of the Lease Agreement), as specified in the District's notice to the Assignee of its exercise of the prepayment option at the prepayment price (including prepayment premium) and on the other terms and conditions as provided in Section 9.3(b) of the Lease, plus an additional amount determined in the same manner as provided under Section 4.5 of the Lease.

Prepayment in part of the unpaid principal components of Lease Payments shall be applied to reduce the principal components of Lease Payments in inverse order of the Lease Payment Dates.

Davis-Bacon Act Compliance:	The District shall comply with the requirements of the Davis Bacon Act in connection with the QZAB Program.

Annual Financial Statements & Reporting:	Until all amounts owed to the Corporation under the Lease are paid in full, the District shall deliver to the Corporation its annual audited financial statements, budget and other financial information as provided in the Lease.

Documentation:	The Site Lease, the Lease, the Assignment Agreement and the Program Fund Agreement shall be executed and delivered by the respective parties thereto in substantially the forms agreed upon by the District, the Corporation and the Assignee prior to the date hereof. All other documentation relating to the transactions contemplated by the Site Lease, the Lease, the Assignment Agreement and the Program Fund Agreement shall be prepared by Jones Hall, A Professional Law Corporation, San Francisco, California, as bond counsel to the District, and shall be in form and content acceptable to the District, the Corporation and the Assignee.

Investment Letter:	The Assignee will sign an investment letter on the Closing Date to the effect that it (a) is an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act of 1933, as amended; (b) has conducted its own investigation of the financial condition of the District, the purpose for which the Site Lease, the Lease and the Assignment Agreement are being entered into and of the security for payment of the Lease Payments under the Lease and has obtained such information regarding the Site Lease, the Lease and the District and its operations, financial condition and financial prospects as the Assignee deems necessary to make an informed investment decision with respect to executing and delivering the Assignment Agreement; (c) is acquiring its rights and interests in the Site Lease and the Lease pursuant to the Assignment Agreement for its own account and without a present intention to sell any portion thereof to any other person, provided that the Assignee retains the right at any time to dispose of the Site Lease, the Lease or any interest therein as it may determine to be in its best interests and that any subsequent resale shall be made only in accordance with the Lease and applicable securities laws; and (d) acknowledges and agrees that the obligation of the District to pay Lease Payments under the Lease shall constitute a current expense of the District and shall not in any way be construed to be a debt of the District in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the District, nor shall anything contained in the Lease constitute a pledge of the full faith and credit or taxing power of the District.

Closing Date:	On July 25, 2013 (the "Closing Date"), unless the District and the Assignee agree to a different date.

Closing Conditions:	The following are conditions precedent to the Assignee's obligations under this contract:

At or prior to the Closing Date, the District will deliver, or cause to be delivered, to the Assignee the following:

- the Site Lease, the Lease, the Assignment Agreement and the Program Fund Agreement executed by the respective parties thereto;

- a certified copy of a resolution adopted by the Board of Trustees of the District authorizing the execution and delivery of the Site Lease, the Lease and the Program Fund Agreement, and an incumbency and authorization certificate of the District in form and content acceptable to the Assignee;

- a certified copy of a resolution adopted by the Board of Directors of the Corporation authorizing the execution and delivery of the Site Lease, the Lease and the Assignment Agreement, and an incumbency and organizational certificate of the Corporation in form and content acceptable to the Assignee;

- an opinion of counsel to the District in form and content acceptable to the Assignee;

- an opinion of counsel to the Corporation in form and content acceptable to the Assignee;

- an opinion of Bond Counsel in form and content acceptable to the Assignee (i) with respect to the due authorization, validity and enforceability of the Site Lease, the Lease, the Assignment Agreement and the Program Fund Agreement, (ii) that this Purchase Agreement created on its date of execution a binding, written contract under applicable California law (assuming due authorization, execution and delivery thereof by the Assignee) for the sale of the Lease for purposes of Section 54A(b)(3) of the Code, (ii) the Lease is a "qualified zone academy bond" as defined in Section 54E of the Code; and (iii) that a taxpayer holding the Lease on a Credit Allowance Date will be allowed a tax credit against federal income tax imposed on such taxpayer for the taxable year that includes the Credit Allowance Date, in an amount equal to 25% of the product of the Tax Credit Rate (identified above) multiplied by the face amount of the Lease held by such taxpayer on the Credit Allowance Date; subject to proration in certain instances as required by Section 54A(b)(4) of the Code and the limitations set forth in Section 54A(c) of the Code.

- evidence of liability, casualty, rental interruption and title insurance as required under Article V of the Lease and such title insurance policy shall be in the form of a CLTA policy insuring the leasehold interest of the Corporation and the Assignee, with only such exceptions as are approved by the Assignee (and which shall not include any of the Contra Costa Schools Financing Authority leases as an exception);

- a certificate from an authorized officer of the District to the effect that (a) all financial statements and other information delivered to the Assignee are correct and complete; and (b) from the date hereof to the Closing Date, no change has occurred in the District's creditworthiness that could have a material adverse effect on the financial condition or operations of the District or the District's ability to perform its obligations under the Lease;

- a tax certificate with respect to the Lease in form and content acceptable to the Assignee;

- evidence of the QZAB allocation with respect to and in an amount at least equal to the par amount of the Lease, in form and content acceptable to the Assignee;

- fully completed and executed I.R.S. information reporting return Form 8038-TC with respect to the Lease, in form and content acceptable to the Assignee;
- such other certificates, documents and other papers as the Assignee may reasonably request.

From the date hereof to the Closing Date, there shall not have occurred any (i) change in the District's creditworthiness that could have a material adverse effect on the financial condition or operations of the District or the District's ability to perform its obligations under the Site Lease and the Lease, (ii) event, court decision, proposed law or rule that may have the effect of changing the federal income tax incidents of the Lease or the contemplated transaction, (iii) international or national crisis or banking moratorium materially affecting, in the reasonable opinion of the Assignee, the market value of the Site Lease and the Lease or (iv) new restrictions on the extension of credit by banks or other lending institutions by any federal or state agency.

Fees and Expenses:	The District shall be responsible to pay fees and expenses related to this transaction, including fees and expenses of counsel to the District, fees and expenses of counsel to the Assignee (not to exceed $20,000) and of the Program Fund Custodian. Such fees and expenses will be disbursed from the Costs of Issuance Fund pursuant to the Program Fund Agreement.

Continuing Disclosure:	It is understood that, with respect to the Lease, the District will not be required to comply with the continuing disclosure requirements of SEC Rule 15c2 12(b).

Assignee Contact:	Chris Youngs Mitchell Banc of America Leasing & Capital, LLC 11333 McCormick Road Hunt Valley II M/C MD5-032-07-05 Hunt Valley, Maryland 21031 Attention: Contract Administration Fax: (443) 556-6977
Assignee Counsel:	Buzz Larsen Chapman and Cutler LLP 111 W. Monroe Street Chicago, Illinois 60603 Telephone: (312) 845-3473 Fax: (312) 516-1473

Integration Clause:	This offer, when accepted, will constitute the complete and entire contract between the District and the Assignee, and all prior communications and correspondence (including the Proposal Letter previously submitted to the District) between the District and the Assignee with respect to the subject matter of the contract, whether written or oral, are superseded by the contract.

Governing Law:	This offer and the acceptance hereof, the contract formed hereby and the transactions completed hereunder will be governed by California law.

If the District is in agreement with the terms and conditions contained herein, please sign in the space provided below indicating the District's acceptance of this offer and return an executed copy of the contract via fax or email to the Assignee. If you should have any questions, please contact the undersigned.

Sincerely,

BANC OF AMERICA LEASING & CAPITAL, LLC

By: _____
Terri Preston
Vice President

Agreed and accepted on the date first above written:

ANTIOCH UNIFIED SCHOOL DISTRICT, CALIFORNIA

By: _____
Timothy R. Forrester
Associate Superintendent,
Business and Operations

If the District is in agreement with the terms and conditions contained herein, please sign in the space provided below indicating the District's acceptance of this offer and return an executed copy of the contract via fax or email to the Assignee. If you should have any questions, please contact the undersigned.

Sincerely,

BANC OF AMERICA LEASING & CAPITAL, LLC

By: _____
Name: _____
Title: Vice President

Agreed and accepted on the date first above written:

ANTIOCH UNIFIED SCHOOL DISTRICT, CALIFORNIA

By: _____
Timothy R. Forrester
Associate Superintendent,
Business and Operations

EXHIBIT A

LEASE PAYMENT SCHEDULE

Pmt. No.	Pmt. Year	Payment Date	Payment Amount	Interest Portion	Principal Portion	Outstanding Balance	Termination Amount
1	1	6/16/14	310,289.66	310,289.66	-	29,999,000.00	30,898,970.00
2	2	12/16/14	573,994.20	173,994.20	400,000.00	29,599,000.00	30,486,970.00
3	2	6/16/15	1,664,860.03	171,674.20	1,493,185.83	28,105,814.17	28,948,988.59
4	3	12/16/15	163,013.72	163,013.72	-	28,105,814.17	28,948,988.59
5	3	6/16/16	2,118,092.60	163,013.72	1,955,078.88	26,150,735.29	26,935,257.35
6	4	12/16/16	151,674.26	151,674.26	-	26,150,735.29	26,935,257.35
7	4	6/16/17	2,172,870.38	151,674.26	2,021,196.11	24,129,539.18	24,853,425.35
8	5	12/16/17	139,951.33	139,951.33	-	24,129,539.18	24,853,425.35
9	5	6/16/18	2,229,249.08	139,951.33	2,089,297.75	22,040,241.43	22,701,448.67
10	6	12/16/18	127,833.40	127,833.40	-	22,040,241.43	22,701,448.67
11	6	6/16/19	1,562,944.49	127,833.40	1,435,111.09	20,605,130.34	21,223,284.26
12	7	12/16/19	119,509.76	119,509.76	-	20,605,130.34	21,223,284.26
13	7	6/16/20	1,620,266.40	119,509.76	1,500,756.64	19,104,373.70	19,677,504.91
14	8	12/16/20	110,805.37	110,805.37	-	19,104,373.70	19,486,461.18
15	8	6/16/21	1,679,280.44	110,805.37	1,568,475.08	17,535,898.62	17,886,616.60
16	9	12/16/21	101,708.21	101,708.21	-	17,535,898.62	17,886,616.60
17	9	6/16/22	1,740,033.18	101,708.21	1,638,324.97	15,897,573.66	16,215,525.13
18	10	12/16/22	92,205.93	92,205.93	-	15,897,573.66	16,215,525.13
19	10	6/16/23	1,802,572.38	92,205.93	1,710,366.45	14,187,207.21	14,470,951.35
20	11	12/16/23	82,285.80	82,285.80	-	14,187,207.21	14,470,951.35
21	11	6/16/24	1,866,947.06	82,285.80	1,784,661.26	12,402,545.95	12,650,596.87
22	12	12/16/24	71,934.77	71,934.77	-	12,402,545.95	12,650,596.87
23	12	6/16/25	1,933,207.55	71,934.77	1,861,272.78	10,541,273.17	10,752,098.63
24	13	12/16/25	61,139.38	61,139.38	-	10,541,273.17	10,646,685.90
25	13	6/16/26	2,001,405.45	61,139.38	1,940,266.06	8,601,007.11	8,687,017.18
26	14	12/16/26	49,885.84	49,885.84	-	8,601,007.11	8,687,017.18
27	14	6/16/27	2,071,593.74	49,885.84	2,021,707.90	6,579,299.21	6,645,092.20
28	15	12/16/27	38,159.94	38,159.94	-	6,579,299.21	6,645,092.20
29	15	6/16/28	2,143,826.75	38,159.94	2,105,666.82	4,473,632.39	4,518,368.72
30	16	12/16/28	25,947.07	25,947.07	-	4,473,632.39	4,518,368.72
31	16	6/16/29	2,218,160.25	25,947.07	2,192,213.19	2,281,419.21	2,304,233.40
32	17	12/16/29	13,232.23	13,232.23	-	2,281,419.21	2,304,233.40
33	17	6/16/30	2,294,651.44	13,232.23	2,281,419.21	0.00	0.00
		TOTALS	33,353,532.07	3,354,532.07	29,999,000.00		

EXHIBIT B

EVIDENCE OF TAX CREDIT RATE

TreasuryDirect

Qualified Tax Credit Bond Rates

Section 54A of the Internal Revenue Code (IRC) provides rules for the issuance and use of qualified tax credit bonds including new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, and qualified school construction bonds. For rates on clean renewable energy bonds issued under Section 54 of the IRC, check our CREB page.

Current Rate

Date	Rate	Maturity	PSFY*
Jul 12, 2013	5.26%	23 years	3.06%

SEARCH HISTORICAL QTCB RATES

From Date			To Date		
Month	Day	Year	Month	Day	Year
7	12	2013	7	12	2013

Search

*Permitted Sinking Fund Yield - The maximum permitted yield for the sinking fund expected to be used to repay the issue under section 54A(d)(4)(C) of the IRC. The permitted sinking fund yield is equal to 110% of the long-term adjusted applicable federal rate (AFR), compounded semiannually. The permitted sinking fund yield is updated monthly.

These rates will normally be published by 10:00 am ET each federal business day.

For more information on qualified tax credit bonds, call the Internal Revenue Service's Office of Associate Chief Counsel (Financial Institutions & Products) at (202) 622-3980.

TO BE RECORDED AND WHEN RECORDED
RETURN TO:

Jones Hall, A Professional Law Corporation
650 California Street, 18th Floor
San Francisco, California 94108
Attention: William H. Madison, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX UNDER SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES UNDER SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

TAXABLE LEASE AGREEMENT
(QUALIFIED ZONE ACADEMY BONDS, TAX CREDIT)

This LEASE AGREEMENT (QUALIFIED ZONE ACADEMY BONDS, TAX CREDIT) (this "Lease"), dated as of July 1, 2013, is between PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, a nonprofit public benefit corporation organized under the California Corporations Code and its successors and assigns (the "Corporation"), as lessor, and ANTIOCH UNIFIED SCHOOL DISTRICT, a unified school district duly organized and existing under and by virtue of the laws of the State of California (the "District"), as lessee.

B A C K G R O U N D:

1. The District has submitted six Qualified Zone Academy Bond Applications to the State of California Department of Education, School Facilities Planning Division (the "Department"), which were approved to provide financing in the maximum amount of $30,000,000 for an educational program of the District (the "QZAB Program"), which consists generally of solar energy facilities and energy upgrades (collectively, the "Equipment") to be located at the Engineering and Designing a Green Environment "EDGE" Academy (Antioch High School), the Bio-Medical Academy (Antioch High School), the Pathway to Engineering Academy (Deer Valley High School), the Gateway to Technology Academy (Park Middle School), the Gateway to Technology Academy (Dallas Ranch Middle School), and the PLTW Elementary School Academy (Jack London Elementary School), and other school campuses, such Equipment to benefit 24 schools in the District, and all District schools to participating in the PLTW or STEM academies, as more particularly described in the District's applications to the Department and a Supplemental QZAB Memorandum to the Department relating to the applications.

2. In order to provide financing for the QZAB Program, the District has proposed to lease the real property consisting of the land together with all buildings, facilities and other improvements located thereon comprising the District's Dallas Ranch Middle School, located at 1401 Mt. Hamilton Drive, Antioch, California, as such real property is described more fully in Appendix B attached hereto and made a part hereof (the "Leased Property"), to the Corporation by entering into a Site Lease dated as of July 1, 2013 (the "Site Lease"), which has been recorded concurrently herewith, for an up-front rental payment of $29,999,000 (the "Site Lease Payment") which is sufficient for that purpose;

3. The Corporation has agreed to assist the District with such financing by entering into this Lease, pursuant to which the Corporation will sublease the Leased Property back to the District, in consideration of the payment by the District of annual lease payments as the rental for the Leased Property (the "Lease Payments") payable hereunder;

4. In order to secure the prompt payment and performance as and when due of all of the District's obligations under the Lease Agreement, the District has agreed to grant to the Corporation a first priority security interest in the Equipment located on the Leased Property and all replacements, repairs, restorations, modifications, improvements, substitutions, accessions and proceeds (cash and non-cash) thereof, including the proceeds of all insurance policies and condemnation awards with respect thereto (the "Leased Property Equipment"); and

5. In order to provide a source of financing to fund the Site Lease Payment, the Corporation has entered into an Assignment Agreement, dated as of July 1, 2013 (the "Assignment Agreement"), and recorded concurrently herewith, between the Corporation and Banc of America Leasing & Capital, LLC, a Delaware limited liability company, and its successors and assigns (the "Assignee"), under which the Corporation assigns, among other things, the Site Lease, this Lease, the Program Fund Agreement, the Lease Payments and its interest in the Leased Property Equipment to the Assignee.

6. The District is authorized to enter into a lease-leaseback arrangement with the Corporation to provide financing for the QZAB Program under Sections 17455 and 17456 of the California Education Code and other applicable State law.

A G R E E M E N T:

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

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION

Section 1.1. Definitions. All terms defined in this Section 1.1 have the meanings herein specified for all purposes of this Lease.

"*Additional Payments*" means any and all amounts payable by the District hereunder (other than Lease Payments).

"*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 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 1300 et seq.; the Air Resources Act, California Health & Safety Code Sections 3900 et seq.; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 et seq.; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern:

(a) the existence, cleanup, and/or remedy of contamination on property;

(b) the protection of the environment from spilled, deposited, or otherwise emplaced contamination;

(c) the control of hazardous wastes; or

(d) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

"*Assignee*" means Banc of America Leasing & Capital, LLC, as assignee of certain rights of the Corporation hereunder, its successors and assigns.

"*Assignment Agreement*" means the Assignment Agreement dated as of July 1, 2013, between the Corporation, as assignor, and the Assignee, as assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

"Available Project Proceeds" means (a) the excess of: (i) the proceeds from the assignment and transfer of certain rights of the Corporation under this Lease and the Site Lease to the Assignee pursuant to the Assignment Agreement, less (b) Costs of Issuance (not exceeding 2% of the proceeds of such assignment and transfer), plus (c) investment earnings on the difference between (a) – (b).

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to municipal bonds and relating to qualified tax credit bonds issued under Section 54A of the Tax Code.

"*Business Day*" means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State of California.

"*Closing Date*" means the date of execution and delivery of this Lease by the parties hereto, being July 25, 2013.

"*Corporation*" means Public Property Financing Corporation of California, a nonprofit public benefit corporation organized under the California Corporations Code.

"*Costs of Issuance*" means the costs incurred in connection with the execution and delivery of this Lease, the Site Lease, the Assignment Agreement and the Program Fund Agreement, including counsel fees, fees and expenses of the Program Fund Custodian and similar costs, fees and expenses.

"*Costs of Issuance Account*" means the account by that name established and held by the Program Fund Custodian for the benefit of the District under the Program Fund Agreement.

"Credit Allowance Date" means: (i) March 15, June 15, September 15 and December 15, of each year while this Lease Agreement is outstanding, commencing September 15, 2013; and (ii) the final maturity date of the this Lease Agreement.

"*District*" means Antioch Unified School District, a unified school district duly organized and existing under and by virtue of the laws of the State of California.

"*Event of Default*" means any of the events of default as defined in Section 8.1.

"*Expenditure Period*" means the "expenditure period" defined in Section 54A(d)(2)(B)(ii) of the Tax Code and consists of the period beginning on the Closing Date and ending on the later of the date which is three years after the Closing Date or such later date, if any, as permitted by the Internal Revenue Service in response to a request to extend the Expenditure Period.

"*Facilities*" means all buildings and other improvements at any time situated on the Leased Property.

"*Fair Market Value*" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the Regulations, the term "investment" will include a hedge.

"*Federal Securities*" means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

"*Fiscal Yea*r" means each twelve-month period during the Term of this Lease commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the District as its fiscal year period.

"*Hazardous Substance*" means any substance that shall, at any time, be listed as "hazardous" or "toxic" 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 3011 et seq.).

"*Lease*" *or "Lease Agreement"* means this Taxable Lease Agreement (Qualified Zone Academy Bonds, Tax Credit) dated as of July 1, 2013, between the Corporation, as lessor, and the District, as lessee, as originally executed or as thereafter amended under any duly authorized and executed amendments hereto.

"*Lease Paym*ent" means all payments required to be paid by the District under Section 4.4, including any prepayment thereof under Section 9.2 or 9.3.

"*Lease Payment Date*" means June 16 and December 16 in each year, commencing June 16, 2014, and continuing to and including the date on which the Lease Payments are paid in full.

"*Leased Property*" means the real property which is more particularly described in Appendix B. From and after the date of any substitution of property under Section 4.8 or release of property under Section 4.9, the term "Leased Property" means the real property which remains subject to this Lease following such substitution or release.

"Leased Property Equipment" means all equipment, improvements and fixtures financed with the proceeds of this Lease consisting generally of solar energy facilities and energy upgrades and located on the Leased Property, as more particularly described on the Leased Property Equipment Schedule attached hereto and all replacements, repairs, restorations, modifications and improvements thereof or thereto. Whenever reference is made in this Lease to Leased Property Equipment, such reference shall be deemed to include all such replacements, repairs, restorations, modifications and improvements of or to such Leased Property Equipment.

"Leased Property Equipment Schedule" means the equipment schedule attached hereto as Appendix D and made a part hereof.

"*Loss of Qualified Zone Academy Status*" has the meaning set forth in Section 4.5 hereof.

"*Net Proceeds*" means amounts derived from any policy of casualty insurance or title insurance with respect to the Leased Property, or the proceeds of any taking of the Leased Property or any portion thereof in eminent domain proceedings (including sale under threat of such proceedings), to the extent remaining after payment therefrom of all expenses incurred in the collection and administration thereof.

"*Permitted Encumbrances*" means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the District may permit to remain unpaid under Section 5.1 of this Lease; (b) the Site Lease, this Lease 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 5.7 with respect to the Leased Property issued as of the Closing Date; and (e) any easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the District certifies in writing will not materially impair the use of the Leased Property for its intended purposes.

"*Program Costs*" means costs of acquisition, equipping and installation of the QZAB Program, including, without limitation, the Equipment.

"*Program Fund Agreement*" means the Program Fund Agreement dated as of July 1, 2013, among the District, the Corporation, the Assignee and the Program Fund Custodian, relating to the administration of the QZAB Program Fund and the Costs of Issuance Account.

"*Program Fund Custodian*" means Deutsche Bank Trust Company Americas, its successors and assigns, as custodian of the QZAB Program Fund and the Costs of Issuance Account under the Program Fund Agreement.

"*Purchase Agreement*" means the Purchase Agreement dated July 12, 2013 between the Assignee and the District.

"*QZAB Program*" means the Equipment and those certain capital improvements, equipment and educational development and training programs to be financed by the District from the Site Lease Payment, as set forth in the applications approved by the School Facilities Division of the California Department of Education, located or to be located at a public school or public schools, each constituting a "qualified zone academy" within the meaning of section 54E(d)(1) of the Tax Code.

"*QZAB Program Fund*" means the fund by that name established and held by the Program Fund Custodian for the benefit of the District as described in Section 3.3.

"*Rental Period*" means, for each Lease Payment Date, the period from the preceding June 16 to (and including) June 15; provided that the first Rental Period begins on the Closing Date and ends on June 16, 2014.

"*Site Lease*" is defined in the preambles hereto.

"*Site Lease Payment*" is defined in the preambles hereto.

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

"Tax Credit" means the credit against federal income tax that is allowed under Section 54A of the Tax Code to a taxpayer holding all or part of a "qualified zone academy bond" as defined in section 54E of the Tax Code on one or more Credit Allowance Dates.

"*Term of this Lease*" or "*Term*" means the time during which this Lease is in effect, as provided in Section 4.3; provided that in no event shall the term of this Lease exceed the maximum term established by the Secretary of the Treasury that is applicable to this Lease.

"Vendor" means the manufacturer, installer or supplier of the Equipment or any other person as well as the agents or dealers of the manufacturer, installer or supplier with whom Lessor arranged District's acquisition, installation, maintenance and/or servicing of the Equipment.

"Vendor Agreement" means any contract entered into by District and any Vendor for the acquisition, installation, maintenance and/or servicing of the Equipment.

Section 1.2. Interpretation. (a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

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

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Lease; the words "herein," "hereof,"

"hereby," "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 2.1. Covenants, Representations and Warranties of the District. The District makes the following covenants, representations and warranties to the Corporation as of the date of the execution and delivery of this Lease:

(a) *Due Organization and Existence*. The District is a unified school district duly organized and validly existing under and by virtue of the laws of the State of California, has full legal right, power and authority under the laws of the State of California to enter into the Site Lease, this Lease, the Purchase Agreement and the Program Fund Agreement and to carry out and consummate all transactions contemplated hereby, and by proper action the District has duly authorized the execution and delivery of the Site Lease, this Lease and the Program Fund Agreement.

(b) *Due Execution*. The representatives of the District executing the Site Lease, this Lease, the Purchase Agreement and the Program Fund Agreement have been fully authorized to execute the same pursuant to official action duly adopted by the Board of Education of the District.

(c) *Valid, Binding and Enforceable Obligations*. The Site Lease, this Lease, the Purchase Agreement and the Program Fund Agreement have each been duly authorized, executed and delivered by the District and each constitutes the legal, valid and binding agreement of the District enforceable against the District in accordance with its terms.

(d) *No Conflicts*. The execution and delivery of the Site Lease, this Lease, the Purchase Agreement and the Program Fund Agreement, the consummation of the transactions therein and herein contemplated and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, this Lease, the Purchase Agreement or the Program Fund Agreement or the financial condition, assets, properties or operations of the District.

(e) *Consents and Approvals*. No consent or approval of any trustee or holder of any indebtedness of the District or of the voters 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 by the District of the Site Lease, this Lease, the Purchase Agreement and the Program Fund Agreement, or the consummation of any transaction therein or herein contemplated,

except as have been obtained or made and as are in full force and effect, or except as would not materially adversely effect the transactions contemplated hereby.

(f) *No Litigation*. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Site Lease, this Lease, the Purchase Agreement or the Program Fund Agreement or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, this Lease or the Program Fund Agreement, or the financial condition, assets, properties or operations of the District.

(g) *Essential Purpose*. The Leased Property and the financing of the QZAB Program pursuant to this Lease and the Assignment Agreement are essential to the District's efficient and economic operation, serve an essential governmental function of the District and are in the best interests of the District.

(h) *Budget*. The obligations of the District under this Lease, including without limitation the obligation to make Lease Payments, are obligations payable from the District's general fund budget.

(i) *Available Funds*. The District has funds available for the payment of Lease Payments due during the current Fiscal Year and reasonably believes that sufficient funds can be obtained to make all Lease Payments and payments of other amounts required to be paid hereunder.

(k) *Prevailing Wage Requirement*. To the extent any construction is required for the QZAB Program, the District shall ensure, through its bid and construction documents, that the work is performed in compliance with prevailing wage requirements contained in Subchapter IV of Chapter 31 of Title 40, United States Code (the "Davis-Bacon Act").

(h) *Allocations of State QZAB Limitation*. The District has received allocations of qualified zone academy bond authority awarded to the District on April 18, 2013 in the total amount of $30,000,000 from the Division Director of the School Facilities Planning Division of the State Superintendent of Public Instruction, included in the transcript for this Lease.

(i) *Public Bidding Requirements*. The District has complied with such public bidding requirements as may be applicable to this Lease and the acquisition by District of the Equipment.

(j) *Use of Equipment*. During the Term of this Lease, the Equipment will be used by District only for the purpose of performing essential governmental or proprietary functions of District consistent with the permissible scope of District's authority. District has an immediate need for the Equipment and expects to make immediate use of the Equipment. District's need for the Equipment is not temporary

and District does not expect the need for any item of the Equipment to diminish during the Term of this Lease.

(k) *Fee Owner.* The District is the fee owner of all of the real estate where the Equipment is and will be located and has good and marketable title thereto, and there exists no mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on or with respect to such real estate.

(l) *Further Assurances.* The District will, at its expense, maintain its legal existence and do any further act and execute, acknowledge, deliver, file, register and record any further documents Corporation may reasonably request in order to protect Corporation's first priority security interest in the Leased Property Equipment, the Program Fund Agreement, the QZAB Program Fund and the Costs of Issuance Account and the Corporation's rights and benefits under the Site Lease, this Lease and the Program Fund Agreement.

*Section 2.2. Covenants, Representations and Warranties of the Corpor*ation. The Corporation makes the following covenants, representations and warranties to the District as of the date of the execution and delivery of this Lease:

(a) *Due Organization and Existence.* The Corporation is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, has full legal right, power and authority to enter into the Site Lease, this Lease and the Assignment Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the Corporation has duly authorized the execution and delivery of the Site Lease, this Lease, the Program Fund Agreement and the Assignment Agreement.

(b) *Due Execution.* The representatives of the Corporation executing the Site Lease, this Lease, the Program Fund Agreement and the Assignment Agreement are fully authorized to execute the same under official action taken by the Board of Directors of the Corporation.

(c) *Valid, Binding and Enforceable Obligations.* The Site Lease, this Lease and the Assignment Agreement have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.

(d) *No Conflicts.* The execution and delivery of the Site Lease, this Lease, the Program Fund Agreement and the Assignment Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, this Lease, the Program Fund Agreement or the Assignment Agreement or the financial condition, assets, properties or operations of the Corporation.

(e) *Consents and Approvals*. 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 authority is necessary in connection with the execution and delivery by the Corporation of the Site Lease, this Lease, the Program Fund 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, or except as would not materially adversely affect the transactions contemplated hereby.

(f) *No Litigation*. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Corporation after reasonable investigation, threatened against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Site Lease, this Lease, the Program Fund Agreement or the Assignment Agreement, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, this Lease, the Program Fund Agreement or the Assignment Agreement or the financial condition, assets, properties or operations of the Corporation.

ARTICLE III

DEPOSIT AND APPLICATION OF FUNDS

Section 3.1. Deposit of and Application of Funds. As provided in the Assignment Agreement, the proceeds therefrom in the amount of $29,999,000 will be deposited with the Program Fund Custodian on the Closing Date and applied as follows: (a) $269,100 will be deposited into the Costs of Issuance Account and held, administered and applied to pay Costs of Issuance on behalf of the District as provided in the Program Fund Agreement; and (b) $29,729,900 will be deposited into the QZAB Program Fund and held, administered and invested for the purpose of financing the QZAB Program as provided herein and in the Program Fund Agreement.

Section 3.2. Appointment of District as Agent of Corporation. The Corporation hereby appoints the District as its agent to carry out all phases of the QZAB Program under and in accordance with the provisions hereof. The District hereby accepts its appointment as agent of the Corporation and assumes all rights, liabilities, duties and responsibilities of the Corporation regarding the QZAB Program. The District, as agent of the Corporation hereunder, will enter into, administer and enforce all purchase orders, energy services contracts or other contracts relating to the QZAB Program. The District will requisition the payment of Program Costs from amounts held by the Program Fund Custodian in the QZAB Program Fund, pursuant to and in accordance with the Program Fund Agreement. All contracts for, and all work relating to, the QZAB Program are subject to all applicable provisions of law relating to the acquisition, installation, improvement, and equipping of like facilities, equipment and property by the District.

Section 3.3. Acquisition, Equipping and Installation of the QZAB Program; Payment of Program Costs from QZAB Program Fund.

(a) As agent of the Corporation, the District hereby agrees with due diligence to supervise and provide for, or cause to be supervised and provided for, the acquisition, equipping and installation of the QZAB Program in accordance with the plans and specifications, purchase orders, acquisition and installation contracts, energy services contracts and other documents relating thereto and approved by the District under all applicable requirements of law.

(b) In order to ensure that moneys sufficient to pay the Program Costs will be available when required, the Corporation shall deposit the sum of $29,729,900 in a special account (the "QZAB Program Fund") to be established by the Program Fund Custodian as custodian for the benefit of the District. The Program Fund Custodian shall disburse moneys in the QZAB Program Fund from time to time to pay the Program Costs (or to reimburse the District for payment of Program Costs) upon delivery to the Program Fund Custodian of written disbursement requests from the District, each of which conforms to the requirements of the Program Fund Agreement and is substantially the form set forth as Schedule 1 to the Program Fund Agreement.

Notwithstanding anything in this Article III to the contrary, the District shall assure that amounts in the QZAB Program Fund are expended solely in accordance with the requirements of Section 7.7 relating to the observance of all requirements applicable to qualified zone academy bonds under Section 54E of the Tax Code.

(c) The District shall deliver to the Assignee original invoices (and proof of payment of such invoices) and bills of sale (if title to such Equipment has passed to the District) relating to each item of Equipment accepted by District.

Section 3.4. Payment of Costs of Issuance from Costs of Issuance Account. The Corporation shall deposit the sum of $269,100 in a special account (the "Costs of Issuance Account") to be established by the Program Fund Custodian as custodian for the benefit of the District. Subject to Section 7.7(k) hereof, the Program Fund Custodian shall disburse moneys in Costs of Issuance Account from time to time to pay the Costs of Issuance upon delivery to the Program Fund Custodian of written disbursement requests from the District, each of which conforms to the requirements of the Program Fund Agreement and is in substantially the form set forth as Schedule 2 to the Program Fund Agreement.

ARTICLE IV

LEASE OF LEASED PROPERTY; SECURITY INTEREST IN LEASED PROPERTY EQUIPMENT; QZAB PROGRAM FUND AND COSTS OF ISSUANCE ACCOUNT; LEASE PAYMENTS

Section 4.1. Lease of Leased Property by Corporation to District. For and in consideration of the application by the Corporation of funds in accordance with Section 3.1, the District has leased the Leased Property to the Corporation under the Site Lease. For and in consideration of the Lease Payments to be made by the District hereunder, the Corporation hereby leases the Leased Property to the District and the District hereby leases the Leased Property from the Corporation, pursuant to this Lease, upon the terms and provisions hereof.

Section 4.2. Leased Property Equipment; QZAB Program Fund and Costs of Issuance Account. As additional security for the payment and performance of all of District's obligations hereunder, the District hereby grants to Corporation a first priority security interest constituting a first lien on (a) the Leased Property Equipment, (b) moneys and investments held from time to time in the QZAB Program Fund and the Costs of Issuance Account and (c) any and all proceeds of any of the foregoing. District authorizes Corporation to file (and District agrees to execute, if applicable) such notices of assignment, chattel mortgages, financing statements and other documents, in form satisfactory to Corporation, which Corporation deems necessary or appropriate to establish and maintain Corporation's security interest in the Leased Property Equipment, the QZAB Program Fund, the Costs of Issuance Account and the proceeds thereof, including such financing statements with respect to personal property and fixtures under Article 9 of the California Commercial Code and treating such Article 9 as applicable to entities such as District.

The District shall not install, use, operate or maintain the Leased Property Equipment (or cause the Leased Property Equipment to be installed, used, operated or maintained) improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated hereby. The District shall provide all permits and licenses, if any, necessary for the installation and operation of the Leased Property Equipment. In addition, the District agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body; *provided* that the District may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of the Corporation, adversely affect the interest of the Corporation in and to the Leased Property Equipment or its interest or rights hereunder.

The Corporation makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for use of the Leased Property Equipment, or any other warranty or representation, express or implied, with respect thereto and, as to the Corporation, the District's acquisition of the Leased Property Equipment shall be on an "as is" basis. In no event shall the Corporation be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease, the Leased Property Equipment or the existence, furnishing, functioning or District's use of any item, product or service provided for in this Lease.

The District's sole remedy for the breach of a warranty, indemnification or representation with respect to a Vendor Agreement or the Leased Property Equipment shall be against the applicable Vendors of the Leased Property Equipment, and not against the Corporation. Any such matter shall not have any effect whatsoever on the rights of the Corporation hereunder, including the right to receive full and timely Lease Payments. The District expressly acknowledges that the Corporation makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties relating to the Leased Property Equipment.

In the event of a material default of any Vendor under any Vendor Agreement in connection with the acquisition, installation, maintenance and/or servicing of the Leased Property Equipment or in the event of a material breach of warranty with respect to any material workmanship or performance guaranty with respect to the Leased Property Equipment, the District will promptly proceed to exhaust its remedies against the Vendor in default. The District shall advise the Corporation of the steps it intends to take in connection with any such default. Any amounts received by the District in respect of damages, refunds and adjustments or otherwise in connection with the foregoing shall be paid to the Corporation and applied against the District's obligations hereunder.

Whether or not covered by insurance or self-insurance, the District hereby assumes all risk of loss of, or damage to and liability related to injury or damage to any persons or property arising from the Leased Property Equipment from any cause whatsoever, and no such loss of or damage to or liability arising from the Leased Property Equipment shall relieve the District of the obligation to make the Lease Payments or to perform any other obligation under this Lease. Whether or not covered by insurance or self-insurance, the District hereby agrees to reimburse the Corporation (to the fullest extent permitted by applicable law) for any and all liabilities, obligations, losses, costs, claims, taxes or damages suffered or incurred by the Corporation, regardless of the cause thereof and all expenses incurred in connection therewith (including, without limitation, counsel fees and expenses, and penalties connected therewith imposed on interest received) arising out of or as a result of (a) entering into of this Lease or any of the transactions contemplated hereby, (b) the ordering, acquisition, ownership use, operation, condition, purchase, delivery, acceptance, rejection, storage or return of any item of the Leased Property Equipment or use or possession of the Leased Property, (c) any accident in connection with the operation, use, condition, possession, storage or return of any item of the Leased Property Equipment or all or any portion of the Leased Property resulting in damage to property or injury to or death to any person, and/or (d) the breach of any covenant of District under or in connection with this Lease, the Site Lease or the Program Fund Agreement or any material misrepresentation provided by District under or in connection with this Lease, the Site Lease or the Program Fund Agreement. The provisions of this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of the Term of this Lease for any reason.

Section 4.3. Term. The Term of this Lease commences on the Closing Date and ends on the date on which all of the Lease Payments have been paid in full. In the event the obligation

of the District to pay Lease Payments is abated for any period under Section 6.3 or 6.4, the term of this Lease shall extend until such time as all Lease Payments set forth on Appendix C hereto have been paid in full, provided that the term of this Lease shall not extend more than ten years following the last Lease Payment Date shown on Appendix C; and provided further, however, that in no event shall any such extension result in the Lease Term exceeding the maximum term established by the Secretary of the Treasury that is applicable to this Lease.

In the event the obligation of the District to pay Lease Payments is abated for any period under Section 6.3 or 6.4 or this Lease is terminated pursuant to the terms of Section 8.2(b), the District agrees to cease use of the Leased Property Equipment and peaceably remove and deliver at District's expense the Leased Property Equipment to the Corporation at the location(s) to be specified by the Corporation.

Section 4.4. Lease Payments.

(a) *Obligation to Pay.* Subject to the provisions of Section 6.3 and the provisions of Article IX, the District agrees to pay to the Corporation, its successors and assigns, the Lease Payments (denominated into components of principal and interest) in the respective amounts specified in Appendix C attached hereto (including any supplements thereto) and by this reference incorporated herein, to be due and payable in immediately available funds on each of the respective Lease Payment Dates specified in Appendix C. The Lease Payments payable in any Rental Period with respect to the Leased Property shall be for the use of the Leased Property during such Rental Period. The interest components of the Lease Payments have been calculated based on an interest rate of 1.16% per annum, on the basis of a 360-day year of twelve 30-day months. The District's obligation to pay Lease Payments in accordance with this Section 4.4(a), subject to the provisions of Section 6.3, shall be absolute and unconditional in all events without diminution, deduction, set-off or defense for any reason, including (without limitation) (i) any failure or lack of completion of all or part of the QZAB Program, (ii) any dispute with any vendor or other entity with respect to all or part of the QZAB Program, (iii) the failure or inability (for whatever reason) of the District to receive revenues resulting from sales of electricity or thermal energy from any part of the QZAB Program, (iv) any failure of below-market energy purchases or other benefits provided by the QZAB Program to make-up the difference between the fair rental value for the Leased Property and the Lease Payments or (v) any failure of the QZAB Program to provide electrical energy or conservation services that are less than the anticipated marginal cost to the District of thermal, electrical, or other energy that would have been consumed by the District in the absence of the Lease and/or the QZAB Program.

(b) *Effect of Prepayment.* If the District prepays all Lease Payments in full under Section 9.2 or 9.3, the District's obligations under this Section will thereupon cease and terminate and the Corporation's security interest or other interest in the Leased Property Equipment shall terminate, and the Corporation shall execute and deliver to the District such documents as the District may request to evidence the termination of the Corporation's security interest in the Leased Property Equipment. If the District prepays the Lease Payments in part but not in whole under Section 9.3, the principal components of the remaining Lease Payments will be reduced in inverse order of maturity as provided in Section 9.3(c) and the interest component of each remaining Lease Payment will be reduced on proportionately.

(c) *Rate on Overdue Payments.* If the District fails to make any of the payments required in this Section 4.4, the payment in default will continue as an

obligation of the District until the amount in default has been fully paid, and the District agrees to pay the same with interest thereon, from the date of default to the date of payment, at the rate of 10.00% per annum.

(d) *Fair Rental Value*. The Lease Payments coming due and payable during each Rental Period constitute the total rental for the Leased Property for such Rental Period, and will be paid by the District in each Rental Period for and in consideration of the right of the use and occupancy, and the continued quiet use and enjoyment, of the Leased Property during each Rental Period. The parties hereto have agreed and determined that the total Lease Payments are not in excess of the fair rental value of the Leased Property. In making this determination, consideration has been given to the estimated fair market value of the Leased Property, the replacement costs of the Leased Property, the costs of financing the deposit required to be made under Section 3.1, other obligations of the District and the Corporation under this Lease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the District and the general public.

(e) *Source of Payments; Budget and Appropriation*. The Lease Payments are payable from any source of legally available funds of the District, subject to the provisions of Sections 6.3, 6.4 and 9.1. The District covenants to take such action as may be necessary to include all Lease Payments in each of its annual budgets during the Term of this Lease and to make the necessary annual appropriations for all such Lease Payments. The covenants on the part of the District herein contained constitute duties imposed by law and it is the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the District.

Section 4.5. Loss of Qualified Zone Academy Bond Status. If the Assignee or any owner or holder of all or part of this Lease (the "Holder") either: (i) receives notice, in any form, from the Internal Revenue Service ("IRS") that due to a final determination of the IRS or a court of competent jurisdiction (after the District has exhausted all administrative appeal remedies), or (ii) reasonably determines, based on an opinion of an independent tax counsel selected by such Holder and approved by the District (which approval the District shall not unreasonably withhold), in either case, that this Lease Agreement is not a "qualified zone academy bond" as defined in section 54E of the Tax Code (each such case is referred to herein as a "Loss of Qualified Zone Academy Status"), then the District shall pay to the Holder, within thirty (30) days after the Holder notifies the District of such determination or opinion, the amount which, taking into account all penalties, fines, interest and additions to tax that are imposed on the Holder as a result of the loss of "qualified zone academy bond" status for this Lease Agreement owned by such Holder, will restore to the Holder the same after-tax yield on this Lease Agreement that the Holder would have realized from the date of execution and delivery of this Lease Agreement to the date of such determination, had the loss of "qualified zone academy bond" status or prepayment or deemed prepayment not occurred. In addition, the District agrees that upon the occurrence of such an event, it will pay an additional amount, on each Credit Allowance Date occurring after the date on which the first additional payment was made by District pursuant to the preceding sentence, as will maintain such after-tax yield to the Holder through the Term of this Lease as long the Holder holds all or a portion of the Lease. Such Holder shall provide the District a certificate setting forth the calculation made by it to determine the amount of such additional payments. In the event that the District makes any payment to an Holder pursuant to this Section 4.5, and it is subsequently determined, pursuant to a final, conclusive and non-appealable decision of the IRS or a court of competent jurisdiction

that this Lease Agreement constitutes a qualified zone academy bond, the District shall be entitled to reimbursement for all amounts so paid to such Holder under this Section 4.5.

Section 4.6. Quiet Enjoyment. (a) Throughout the Term of this Lease, the Corporation will provide the District with quiet use and enjoyment of the Leased Property and the District will peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble or hindrance from the Corporation, except as expressly set forth in this Lease. The Corporation will, at the request of the District and at the District's cost, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent the Corporation may lawfully do so. Notwithstanding the foregoing, the Corporation has the right to inspect the Leased Property as provided in Section 7.2.

(b) So long as no Event of Default has occurred hereunder, neither the Corporation nor any entity claiming by, through or under the Corporation, shall interfere with the District's quiet use and enjoyment of the Leased Property Equipment during the Term of this Lease.

Once installed, no item of the Leased Property Equipment will be moved or relocated from the location or locations specified for it in the Leased Property Equipment Schedule without Corporation's prior written consent, which consent shall not be unreasonably withheld. Corporation shall have the right at all reasonable times during regular business hours to enter into and upon the property where the Leased Property Equipment is located for the purpose of inspecting the Leased Property Equipment.

Section 4.7. Title. (a) At all times during the Term of this Lease, the Corporation shall hold leasehold title to the Leased Property, including all additions which comprise fixtures, repairs, replacements or modifications thereto, subject to Permitted Encumbrances and subject to the provisions of Section 7.2.

Upon the termination of this Lease (other than under Section 8.2(b) hereof), all right, title and interest of the Corporation in and to the Leased Property shall be transferred to and vested in the District. Upon the payment in full of all Lease Payments allocable to the Leased Property, or upon the deposit by the District of security for such Lease Payments as provided in Section 9.1, all right, title and interest of the Corporation in and to the Leased Property 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.

(b) During the Term of this Lease, and so long as no Event of Default has occurred hereunder, all right, title and interest in and to each item of the Leased Property Equipment shall be vested in District immediately upon its acceptance of each item of Leased Property Equipment, subject to the terms and conditions hereof. District shall at all times protect and defend, at its own cost and expense, its title in and to the Leased Property Equipment from and against all claims, liens and legal processes of its creditors, and keep all Leased Property Equipment free and clear of all such claims, liens and processes. Upon the occurrence of an Event of Default, full and unencumbered legal title to the Leased Property Equipment shall pass to the Corporation, and the District shall have no further interest therein. In addition, upon the occurrence of such an Event of Default, the District shall execute and deliver to the Corporation such documents as the Corporation may request to evidence the passage of such legal title to the Corporation and the termination of the District's interest therein, and upon request by Corporation shall deliver possession of the Leased Property Equipment to the Corporation in accordance with Section 8.2(g) at the District's expense. Upon payment in full of all Lease Payments payable hereunder by the District, the Corporation's security interest or other interest in the Leased Property Equipment shall terminate, and the Corporation shall execute and

deliver to the District such documents as District may request to evidence the termination of Corporation's security interest in the Leased Property Equipment.

Section 4.8. Substitution of Property. With the prior written consent of the Assignee, in its sole and absolute discretion, the District may substitute other land, facilities or improvements (the "Substitute Property") for the Leased Property or any portion thereof (the "Former Property"), provided that the District has satisfied all of the following requirements, which are hereby declared to be conditions precedent to such substitution:

(a) The District has certified to the Corporation and the Assignee that no Event of Default has occurred and is continuing.

(b) The District has filed with the Corporation and the Assignee, and caused to be recorded in the Office of the Contra Costa County Recorder, sufficient memorialization of an amended Appendix B to this Lease which adds thereto a description of such Substitute Property and deletes therefrom the description of such Former Property.

(c) The District has obtained a CLTA policy of title insurance insuring the District's leasehold estate hereunder in the Substitute Property, in an amount at least equal to the aggregate unpaid principal components of the Lease Payments and naming the Assignee as an additional insured.

(d) The District has certified in writing to the Corporation and the Assignee that such Substitute Property is essential to the District's efficient and economic operation, serves an essential governmental function of the District and constitutes property which the District is permitted to lease under the laws of the State of California.

(e) The Substitute Property does not cause the District to violate any of its covenants, representations and warranties made herein. No event giving rise to an abatement of Lease Payments has occurred or is continuing with respect to the Substitute Property.

(f) The District has certified in writing to the Corporation and the Assignee that the estimated value and the estimated fair rental value of the Substitute Property are at least equal to the estimated value and the estimated fair rental value, respectively, of the Former Property as of the date hereof, and that the useful life of the Substitute Property extends to or beyond June 16, 2040. If requested by the Assignee, the District has delivered to the Assignee valuations prepared or confirmed by an independent third party, which might include, without limitation, an appraisal or a valuation by an insurance company.

(g) The District has delivered to the Assignee an environmental survey or surveys with respect to the Substitute Property, and other documents that the Assignee may reasonably require; provided, however, that if the environmental studies have recommended that remedial action be taken with respect to the Substitute Property so that it will be in compliance with Applicable Environmental Laws, the Corporation, at the direction of the Assignee, does not have an obligation or duty to accept the Substitute Property as Leased Property until such time as the remedial action has been completed and the Assignee has received assurances to its satisfaction that the Substitute Property is in compliance with Applicable Environmental Laws.

(h) The Assignee has received an opinion of Bond Counsel satisfactory to the Assignee that the substitution of the Leased Property will not constitute reissuance of the Lease or any Lease Payments for federal tax purposes or adversely affect the status of the Lease as a "qualified zone academy bond" or adversely affect any Tax Credits claimed or to be claimed by a Holder.

If at any time the Facilities are damaged or destroyed by earthquake or other uninsured casualty for which rental interruption insurance is not available, or if the use by the District of the Leased Property is unavailable due to Applicable Environmental Laws or the presence of a Hazardous Substance and rental interruption insurance is not available, the District shall, promptly after the occurrence of such event, substitute property for the Facilities under this Section 4.8, including, without limitation, treating the Leased Property Equipment as substitute property for the Facilities; provided, further , that nothing in this paragraph shall supersede the provisions of Article VI.

Upon written consent of the Assignee and the satisfaction of all conditions precedent to any substitution under this Section 4.8, the Term of this Lease will thereupon end as to the Former Property and commence as to the Substitute Property. The Corporation and the District shall execute, deliver and cause to be recorded all documents required to discharge the Site Lease, this Lease and the Assignment Agreement of record against the Former Property.

If for any reason the District is unable to so substitute real property for the Leased Property with an estimated value and an estimated fair rental value at least equal to the remaining Lease Payments hereunder, the District shall use its best efforts to obtain other financing in an amount necessary to prepay the principal component of the Lease Payments not supported by the fair rental value of the substituted property, if any.

In the event the District is unable to implement the actions described above in this Section 4.8, the District and the Corporation hereby agree that the obligations evidenced by this Lease shall be the senior encumbrance on the Leased Property and any future encumbrance, including without limitation any lease, mortgage, deed of trust or security interest, shall be subordinate to this Lease and there shall be no payments in any Rental Period on the obligations evidenced or secured thereby until all of the scheduled Lease Payments set forth on Appendix C hereto for such Rental Period have been paid in full.

Section 4.9. Release of Property. With the prior written consent of the Assignee, in its sole and absolute discretion, the District may release any portion of the Leased Property from this Lease (the "Released Property") provided that the District has satisfied all of the following requirements, which are hereby declared to be conditions precedent to such release:

(a) The District has certified to the Corporation and the Assignee that no Event of Default has occurred and is continuing.

(b) The District has filed with the Corporation and the Assignee, and caused to be recorded in the Office of the Contra Costa County Recorder, sufficient memorialization of an amendment hereof which removes the Released Property from this Lease.

(c) The District has certified in writing to the Corporation and the Assignee that the value of the property which remains subject to this Lease following such release is at least equal to the aggregate unpaid principal components of the Lease Payments, and the fair rental value of the property which remains subject to this Lease following such release is at least equal to the Lease Payments thereafter coming due and payable

hereunder. If requested by the Assignee, the District has delivered to the Assignee valuations prepared or confirmed by an independent third party, which might include, without limitation, an appraisal or a valuation by an insurance company.

(d) The Assignee has received an opinion of Bond Counsel satisfactory to the Assignee that the release of the Leased Property will not constitute reissuance of the Lease or any Lease Payments for federal tax purposes or adversely affect the status of the Lease as a "qualified zone academy bond" or adversely affect any Tax Credits claimed or to be claimed by a Holder.

Upon written consent of the Assignee and the satisfaction of all such conditions precedent, the Term of this Lease will thereupon end as to the Released Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Corporation and the District shall execute, deliver and cause to be recorded all documents required to discharge the Site Lease, this Lease and the Assignment Agreement of record against the Released Property.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Property, all improvement, repair and maintenance of the Leased Property are the sole responsibility of the District, and the District will pay for or otherwise arrange for the payment of all utility services supplied to the Leased Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the District or any assignee or sublessee thereof on the part of the District or any assignee. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Leased Property, as hereinbefore more specifically set forth. The District waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the District under the terms of this Lease.

The District will pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation or the District affecting the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District is obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation shall notify the District that, in its reasonable opinion, by nonpayment of any such items the interest of the Corporation in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the District will promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation.

The District agrees that it will maintain, preserve and keep the Leased Property Equipment in good repair and working order, in a condition comparable to that recommended by the manufacturer. The Corporation shall have no responsibility to maintain, repair or make improvements or additions to the Leased Property Equipment. In all cases, the District agrees to pay any costs necessary for the manufacturer to re-certify the Leased Property Equipment as eligible for manufacturer's maintenance upon the return of the Leased Property Equipment to Corporation as provided for herein.

The District shall keep the Leased Property Equipment free of all levies, liens, and encumbrances except those created by this Lease and the Assignment Agreement. The parties to this Lease contemplate that the Leased Property Equipment will be used for a governmental or proprietary purpose of District and that the Leased Property Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, the District shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. District shall pay all utility and other charges incurred in the use and maintenance of the Leased Property Equipment. District shall pay such taxes or charges as the same may become due; *provided* that, with respect to any such taxes or charges that may lawfully be paid in installments

over a period of years, the District shall be obligated to pay only such installments as accrue during the Term of this Lease.

Section 5.2. Modification of Leased Property. The District has the right, at its own expense, to make additions, modifications and improvements to the Leased Property or any portion thereof. All additions, modifications and improvements to the Leased Property will thereafter comprise part of the Leased Property and become subject to the provisions of this Lease. Such additions, modifications and improvements may not in any way damage the Leased Property, or cause the Leased Property to be used for purposes other than those authorized under the provisions of State and federal law; and the Leased Property, upon completion of any additions, modifications and improvements made thereto under this Section, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements. The District will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the District under this Section; provided that if any such lien is established and the District first notifies the Corporation of the District's intention to do so, the District may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and will provide the Corporation with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Corporation. The Corporation will cooperate fully in any such contest, upon the request and at the expense of the District.

The District shall not alter any item of Equipment or install any accessory, equipment or device on an item of Equipment if that would impair any applicable warranty, the originally intended function or the value of that Equipment. All repairs, parts, accessories, equipment and devices furnished, affixed to or installed on any Equipment, excluding temporary replacements, shall thereupon become subject to the security interest of the Corporation.

Section 5.3. Public Liability Insurance. The District shall maintain or cause to be maintained throughout the Term of this Lease a standard comprehensive general insurance policy or policies in protection of the District, the Corporation and their respective members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such policy or policies must provide coverage of at least $1,000,000 per occurrence, $3,000,000 in aggregate and $5,000,000 excess liability and may be subject to such deductibles as the District deems adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the proceeds of such liability insurance toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 5.4. Casualty Insurance; Flood Coverage.

(a) *Requirement to Maintain Casualty Insurance*. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease, casualty insurance against loss or damage to the Facilities by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance. Said extended coverage insurance shall cover loss or damage by fire, explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other

hazards as are normally covered by such insurance, including earthquake coverage if such coverage is available at commercially reasonable cost from a reputable insurer in the reasonable determination of the District. Such insurance shall be in an amount at least equal to the greater of (i) the replacement value of the insured Facilities, or (ii) the aggregate unpaid principal components of the Lease Payments, and may be subject to such deductibles as the District deems adequate and prudent. The District shall set aside in a segregated account funds sufficient to cover such deductibles. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the Net Proceeds of such insurance as provided in Article VI.

(b) *Flood Insurance*. If at any time and for so long as the Leased Property is located in a 100 year flood area as shown on a Flood Insurance Rate Map published by the Federal Emergency Management Agency, the policy or policies of casualty insurance provided under this Section 5.4 shall include insurance against loss or damage to the Facilities due to flooding. If the District obtains an exception or waiver to the designation of the Facilities as being within a 100 year flood area from the Federal Emergency Management Agency, the District shall not be required to provide flood insurance as set forth in this subsection (b).

(c) *Federal or State 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 and the Corporation, to prepay the Lease Payments if permitted under the disaster aid program and the law.

(d) *Self-Insurance*. As an alternative to providing the insurance required by this Section, the District may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection (i) affords reasonable coverage for the risks required to be insured against, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the District, and (ii) has been approved in writing by the Assignee. Before such other method or plan may be provided by the District, and annually thereafter so long as such method or plan is being provided to satisfy the requirements of this Lease, there shall be filed with the Corporation and the Assignee a certificate of an actuary, insurance consultant or other qualified person (who may be an employee of the District), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable coverage for the risks required to be insured against and is sufficiently funded to afford such coverage. There shall also be filed a certificate of the District setting forth the details of such substitute method or plan. In the event of loss covered by any such self insurance method, the liability of the District hereunder shall be limited to the amounts in the self insurance reserve fund or funds created under such method.

(e) The District shall during the Term of this Lease maintain or cause to be maintained casualty insurance naming the Corporation and its assigns as loss payee and additional insured and insuring the Leased Property Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then

in use in the State, and any other risks reasonably required by Corporation, in an amount at least equal to the replacement cost of the Leased Property Equipment; *provided* that, with Corporation's prior written consent, the District may self-insure against such risks. District shall furnish to Corporation evidence of such insurance or self-insurance coverage throughout the Term of this Lease. District shall not cancel or modify such insurance or self-insurance coverage in any way that would affect the interests of Corporation without first giving written notice thereof to Corporation at least 30 days in advance of such cancellation or modification.

Section 5.5. Rental Interruption Insurance. The District shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Leased Property and the improvements situated thereon as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum Lease Payments coming due and payable during any future 24 month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. Such rental interruption or use and occupancy insurance shall not be self insured and the District acknowledges that this requirement may limit its ability to self insure under Section 5.4. The District will apply the Net Proceeds of such insurance towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

Section 5.6. Worker's Compensation Insurance. If required by applicable California law, the District shall carry worker's compensation insurance covering all employees on, in, near or about the Leased Property and, upon request, shall furnish to the Corporation certificates evidencing such coverage throughout the Term of this Lease.

Section 5.7. Recordation Hereof; Title Insurance. On or before the Closing Date, the District shall, at its expense, (a) cause the Assignment Agreement, the Site Lease and this Lease, or a memorandum hereof or thereof, to be recorded in the office of the Contra Costa County Recorder with respect to the Leased Property, and (b) obtain a CLTA title insurance policy (CLTA Standard Coverage Policy–1990) insuring the Corporation's interests in the estate established under the Site Lease in the Leased Property, subject only to Permitted Encumbrances, in an amount equal to the original principal components of the Lease Payments. The District shall apply the Net Proceeds received under such title insurance policy to prepay Lease Payments under Section 9.3(a).

Section 5.8. Form of Policies. All insurance policies (or riders) required by this Article V shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State of California, and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least ten days before the cancellation or revision becomes effective. Each insurance policy or rider required by Sections 5.3, 5.4 and 5.5 shall name the District and the Assignee as additional insured and loss payee and shall include a lender's loss payable endorsement for the benefit of the Assignee. Prior to the Closing Date, the District will deposit with the Assignee 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 such insurance is in full force and effect. Before the expiration of any such policy (or rider), the District will furnish to the Assignee evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V unless such insurance is no longer obtainable, in which event the District shall notify the Assignee of such fact.

Section 5.9. Installation of District's Personal Property. The District may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Leased Property. All such items shall remain the sole property of the District, in which the Corporation has no interest, and may be modified or removed by the District at any time. The District must repair and restore any and all damage to the Leased Property resulting from the installation, modification or removal of any such items. Nothing in this Lease prevents the District from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest may attach to any part of the Leased Property.

Section 5.10. Liens. (a) The District will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, other than as herein contemplated and except for Permitted Encumbrances. Except as expressly provided in this Article V, the District will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The District will reimburse the Corporation for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

The District covenants and agrees that in the event any issue, claim or dispute arises with respect to access, zoning, subdivision, boundaries or other matters relating to title of the Lease Property, including, without limitation, any exception disclosed in the title insurance policy required by Section 5.7 hereof (each defined as a "Property Dispute"), the District will take all steps necessary to promptly quiet and eliminate such Property Dispute and/or provide the Corporation with adequate access to the Leased Property and ensure its fee interest is and remains free and clear of Property Disputes.

(b) District agrees that the Leased Property Equipment is deemed to be and will remain personal property, and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Leased Property Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. District shall not create, incur, assume or permit to exist any mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on any of the real estate where the Leased Property Equipment is or will be located or enter into any agreement to sell or assign or enter into any sale/leaseback arrangement of such real estate without the prior written consent of Corporation; *provided*, that if Corporation or its assigns is furnished with a waiver of interest in the Leased Property Equipment in form and substance satisfactory to the Corporation, from any party taking an interest in any such real estate prior to such interest taking effect, such consent shall not be unreasonably withheld.

Section 5.11. Advances. If the District fails to perform any of its obligations under this Article V, the Corporation may take such action as may be necessary to cure such failure, including the advancement of money, and the District shall be obligated to repay all such advances as additional rental hereunder, with interest at the rate set forth in Section 4.4(c).

ARTICLE VI

DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF PROCEEDS; ABATEMENT OF LEASE PAYMENTS

Section 6.1. Deposit of Net Proceeds. The Net Proceeds of any taking of the Leased Property or any portion thereof in eminent domain proceedings, and the Net Proceeds of any policy of insurance maintained under Section 5.4, shall be paid to the District or the Corporation to be applied as hereinafter set forth in Section 6.2.

Section 6.2. Application of Net Proceeds. If the Leased Property is taken in eminent domain proceedings at any time during the Term of this Lease, or if the Leased Property is damaged due to an insured casualty which is covered by a policy of insurance or a program of self insurance maintained under Section 5.4, the District shall as soon as practicable after such event, with the prior written consent of the Assignee, apply the Net Proceeds resulting therefrom to one of the following:

(a) repair the Leased Property to full use;

(b) replace the Leased Property, at the District's sole cost and expense, with property of equal or greater value to the Leased Property immediately prior to the time of such destruction or damage, such replacement Leased Property to be subject to the Assignee's reasonable approval, whereupon such replacement shall be substituted in this Lease by appropriate endorsement;

(c) substitute additional property as provided in Section 4.8; or

(d) prepay the Lease Payments in accordance with Section 9.3(a).

The District will notify the Corporation and the Assignee of which course of action it has elected to take within a reasonable time not to exceed 60 days after the occurrence of such eminent domain proceedings or such destruction or damage. Such repair, replacement, substitution or prepayment shall commence not later than 60 days after the occurrence of such taking, destruction or damage and be pursued diligently to completion. The Corporation may (but is not required to) in its own name or in the District's name execute and deliver proofs of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy, and the District hereby grants to the Corporation a power of attorney coupled with an interest to accomplish all or any of the foregoing.

Section 6.3. Abatement Due to Damage or Destruction. The Lease Payments are subject to abatement during any period in which by reason of damage or destruction (other than by eminent domain which is provided for in Section 6.4) there is substantial interference with the use and occupancy by the District of the Leased Property or any portion thereof. The Lease Payments are subject to abatement in an amount determined by the District such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property not damaged or destroyed. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, this Lease will continue in full force and effect and the District waives any right to terminate this Lease by virtue of any such damage and destruction. Notwithstanding the foregoing, the Lease Payments are not subject to abatement to the extent that rental interruption

insurance proceeds are available to pay Lease Payments which would otherwise be abated under this Section 6.3, it being hereby declared that such amounts constitute special funds for the payment of the Lease Payments.

Section 6.4. Termination or Abatement Due to Eminent Domain. If all the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of this Lease will cease with respect thereto as of the day possession is so taken. If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, (a) this Lease will continue in full force and effect with respect thereto and will not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (b) there will be a partial abatement of Lease Payments allocated thereto based upon whether such event has occurred with respect to the Leased Property, in an amount to be determined by the District such that the resulting "Lease Payments" represent fair consideration for the use and occupancy of the remaining usable portions of the affected Leased Property.

Section 6.5. *Damage, Destruction and Condemnation of Equipment*. If, prior to the termination of the Term of this Lease, (a) the Leased Property Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Leased Property Equipment or any part thereof shall be 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 will cause the Leased Property Equipment Net Proceeds of any insurance claim or condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Leased Property Equipment or such part thereof and any balance of the Leased Property Equipment Net Proceeds remaining after such work has been completed shall be applied to the payment of Lease Payments.

If the District elects to replace any item of the Leased Property Equipment (the "Replaced Equipment") pursuant to this Section, the replacement equipment (the "Replacement Equipment") shall be new or of a quality, type, utility and condition at least as good as the Replaced Equipment, shall be of equal or greater value than the Replaced Equipment and shall provide at least the same level of energy and/or operational savings expected in the aggregate from the Replaced Equipment prior to such casualty, destruction or condemnation. Title to Replacement Equipment shall be deemed to vest in Corporation on its replacement date and immediately and automatically (without any further action by Corporation or District) pass from the Corporation to the District on such replacement date, and District shall grant to Corporation a first priority security interest in any such Replacement Equipment. District shall represent, warrant and covenant to Corporation that each item of Replacement Equipment is free and clear of all claims, liens, security interests and encumbrances, excepting only those liens created by or through Corporation, and shall provide to Corporation any and all documents as Corporation may reasonably request in connection with the replacement, including, but not limited to, documentation in form and substance satisfactory to Corporation evidencing Corporation's security interest in the Replacement Equipment. Corporation and District hereby acknowledge and agree that any Replacement Equipment acquired pursuant to this paragraph shall constitute "Equipment" for purposes of this Lease. District shall complete the documentation of Replacement Equipment on or before the next Lease Payment date after the occurrence of a casualty event.

For purposes of this Article, the term "Leased Property Equipment Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation

award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

Section 6.6. *Insufficiency of Equipment Net Proceeds*. If the Leased Property Equipment Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 6.5, the District shall complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Leased Property Equipment Net Proceeds. The amount of the Leased Property Equipment Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement shall be applied to the payment of Lease Payments. If the District shall make any payments pursuant to this Section, the District shall not be entitled to any reimbursement therefor from the Corporation nor shall the District be entitled to any diminution of the amounts payable under Section 4.4.

ARTICLE VII

OTHER COVENANTS OF THE DISTRICT

Section 7.1. Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE LEASED PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION THEREOF. THE DISTRICT ACKNOWLEDGES THAT THE CORPORATION IS NOT A MANUFACTURER OF ANY PORTION OF THE LEASED PROPERTY OR A DEALER THEREIN AND THAT THE DISTRICT LEASES THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event is the Corporation liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease for the existence, furnishing, functioning or use of the Leased Property by the District.

Section 7.2. Access to the Leased Property. The District agrees that the Corporation, and the Corporation's successors or assigns, has the right at all reasonable times, following at least 48 hours written notice provided to the District, to enter upon and to examine and inspect the Leased Property or any part thereof. The District further agrees that the Corporation, and the Corporation's successors or assigns, shall have such rights of access to the Leased Property or any component thereof, following at least 48 hours written notice provided to the District, as may be reasonably necessary to cause the proper maintenance of the Leased Property if the District fails to perform its obligations hereunder. Neither the Corporation nor any of its assigns has any obligation to cause such proper maintenance.

Section 7.3. Release and Indemnification Covenants. The District hereby agrees to indemnify the Corporation, the Assignee and their respective directors, officers, employees, agents, successors and assigns against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Leased Property by the District, (b) any breach or default on the part of the District in the performance of any of its obligations under this Lease, (c) any negligence or willful misconduct of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Property, (d) any intentional misconduct or negligence of any sublessee of the District with respect to the Leased Property, (e) the acquisition, installation, improvement and equipping of the Leased Property, (f) the use, presence, storage, disposal or clean-up of any Hazardous Substances or toxic wastes on the Leased Property or (g) the failure

to comply with any Applicable Environmental Laws. No indemnification is made under this Section or elsewhere in this Lease for willful misconduct or gross negligence under this Lease by the Corporation, the Assignee or their respective officers, agents, employees, successors or assigns.

Whether or not covered by insurance or self-insurance, the District hereby assumes all risk of loss of, or damage to and liability related to injury or damage to any persons or property arising from the Leased Property Equipment from any cause whatsoever, and no such loss of or damage to or liability arising from the Leased Property Equipment shall relieve the District of the obligation to make the Lease Payments or to perform any other obligation under this Lease. Whether or not covered by insurance or self-insurance, the District hereby agrees to reimburse the Corporation (to the fullest extent permitted by applicable law) for any and all liabilities, obligations, losses, costs, claims, taxes or damages suffered or incurred by the Corporation, regardless of the cause thereof and all expenses incurred in connection therewith (including, without limitation, counsel fees and expenses, and penalties connected therewith imposed on interest received) arising out of or as a result of (a) entering into of this Lease or any of the transactions contemplated hereby, (b) the ordering, acquisition, ownership use, operation, condition, purchase, delivery, acceptance, rejection, storage or return of any item of the Leased Property Equipment, (c) any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (d) the breach of any covenant of District under or in connection with this Lease or any material misrepresentation provided by District under or in connection with this Lease. The provisions of this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of the Term of this Lease for any reason.

Section 7.4. Assignment by the Corporation. The Corporation's rights under this Lease, including the right to receive and enforce payment of the Lease Payments to be made by the District hereunder, have been assigned to the Assignee under the Assignment Agreement. The District hereby consents to such assignment. The Corporation hereby directs the District, and the District hereby agrees, to pay to the Assignee all payments payable by the District under Section 4.4 and all amounts payable by the District under Article IX. Whenever in this Lease any reference is made to the Corporation and such reference concerns rights which the Corporation has assigned to the Assignee, such reference shall be deemed to refer to the Assignee.

The Corporation and the Assignee may make additional assignments of their interests herein, but no such assignment will be effective as against the District unless and until the Corporation or the Assignee has filed with the District written notice thereof. The District shall pay all Lease Payments hereunder under the written direction of the Corporation or the assignee named in the most recent assignment or notice of assignment filed with the District. During the Term of this Lease, the District will keep a complete and accurate record of all such notices of assignment.

Any such assignment pursuant to this Section may be in connection with the creation of fractional interests with institutional investors in the Assignee's right, title and interest herein so long as such assignment complies with applicable State law; provided that the District shall not be required to make Lease Payments, to send notices or to otherwise deal with respect to matters arising under this Lease with or to more than one individual or entity and any trust agreement, participation agreement or custodial agreement under which multiple ownership interests in this Lease are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single trustee, owner, servicer or other fiduciary or agent to act on their behalf with respect to the rights and interests of the Assignee

under this Lease, including with respect to the exercise of rights and remedies of the Assignee on behalf of such owners upon the occurrence of an Event of Default hereunder.

Section 7.5. Assignment and Subleasing by the District. This Lease may not be assigned by the District. With the prior written consent of the Assignee, the District may sublease the Leased Property, or any portion thereof, subject to all of the following conditions:

(a) This Lease and the obligation of the District to make Lease Payments hereunder shall remain obligations of the District.

(b) The District shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Assignee a true and complete copy of such sublease.

(c) Any sublease shall be expressly subject and subordinate to this Lease.

(d) No such sublease by the District may cause the Leased Property to be used for a purpose other than an essential government function and as may be authorized under the provisions of the laws of the State of California.

(e) The Assignee shall receive an opinion of Bond Counsel satisfactory to the Assignee that such sublease by the District will not constitute reissuance of the Lease or any Lease Payments for federal tax purposes or adversely affect the status of the Lease as a "qualified zone academy bond" or adversely affect any Tax Credits claimed or to be claimed by a Holder.

Section 7.6. Amendment Hereof. This Lease may only be amended with the prior written consent of the Assignee. Prior to the effective date of any such amendment, and as a condition precedent to the effectiveness thereof, the District at its expense shall obtain an opinion of Bond Counsel stating that (a) such amendment will not adversely affect the status of the Lease as a "qualified zone academy bond" under Section 54E of the Tax Code or adversely affect any Tax Credits claimed or to be claimed by a Holder and (b) such amendment shall not trigger a reissuance of the Lease or any Lease Payments for federal tax purposes..

SECTION 7.7. *Qualified Zone Academy Bond Covenants.* At all times during the Term of this Lease, the District shall comply with the requirements of this Section 7.7 for the purpose of assuring the status of this Lease constitutes a "qualified zone academy bond" under and as defined in Sections 54E of the Tax Code.

(a) Qualified Purpose Requirement, Qualified Zone Academy. The District shall assure that 100% of the Available Project Proceeds of this Lease will be used for a "qualified purpose" within the meaning of section 54E(d)(3) of the Tax Code ("Qualified Purpose") and will be spent with respect to a "qualified zone academy" within the meaning of section 54E(d)(1) of the Tax Code, and the District hereby designates this Lease as qualified zone academy bonds for purposes of section 54E(a)(3)(A) of the Tax Code.

(b) Three Year Expenditure of Proceeds on the QZAB Program. The District reasonably expects to expend 100 percent of the proceeds of the Lease on the QZAB Program within 3 years of the Closing Date (the "3-Year Period"). To the extent that less than 100% of the Available Project Proceeds of the Lease are expended for a Qualified Purpose by the end of Expenditure Period, all nonqualified bonds (as determined under Section 142 of the Tax Code) shall be redeemed within 90 days of the end of said

Available Project Proceeds Expenditure Period, all in accordance with the requirements of Section 54A(d)(2) of the Tax Code in the time and manner prescribed by the Tax Code.

(c) Qualified Zone Academy. The District certifies that it is an eligible local education agency within the meaning of section 54E(d)(2) of the Tax Code and section 9101 of the Elementary and Secondary Education Act of 1965, and that the District established and operates the Antioch Unified School District Qualified Zone Academy (collectively, the "School"), being the schools with respect to which the proceeds of the Lease will be spent, and intends that said School qualify as a qualified zone academy. The District also certifies with respect to the School that (i) the School is a public school (or an academic program within a public school), (ii) the School provides education or training below the post secondary level, (iii) students in the School (or the academic program in the School) will be subject to the same academic standards and assessments as other students educated by the eligible local education agency, (iv) the District has approved the comprehensive education plan of the School, (v) the School is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex workforce, and (vi) the school is located in an empowerment zone or enterprise community (within the meaning of section 54E(d)(1)(D)(i) of the Tax Code), or the District reasonably expects as of the Closing Date of the Lease, that at least 35% of the students attending the School or participating in the academic program will be eligible for free or reduced-cost lunches under the school program established under the National School Lunch Act. The School is located within the jurisdiction of the District.

(d) Allocation of State QZAB Limitation. The District has received allocations of qualified zone academy bond authority on April 18, 2013 (which allocations are effective until October 18, 2013) in the total amount of $30,000,000 from the Division Director of the School Facilities Planning Division of the State Superintendent of Public Instruction, included in the transcript for this Lease.

(e) Private Contribution Requirement. The District certifies that it has received written commitments from "private entities" (within the meaning of Section 1.1397E-1(c)(2) of the Treasury Regulations) to make Qualified Contributions with respect to the School within the meaning of section 54E(d)(4) of the Tax Code and that the present value of said contributions (using the credit rate as the discount rate) is no less than 10 percent of the sale proceeds of this Lease.

(f) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of this Lease which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date of the Lease would have caused the Lease to be "arbitrage bonds" within the meaning of section 148 of the Tax Code as modified by Section 54A(d)(4) of the Tax Code, including the Treasury Regulations with respect thereto.

(g) Acquisition, Disposition and Valuation of Investments.

(i) Except as otherwise provided in subsection (ii) of this Section, the District covenants that all investments of amounts deposited in any fund or account created by or pursuant to the Program Fund Agreement, or otherwise containing gross proceeds of the Lease (within the meaning of section 148 of the

Tax Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Tax Code) at Fair Market Value.

(ii) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code shall be valued at their present value (within the meaning of section 148 of the Tax Code).

(h) Rebate Requirement. The District shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Lease.

(i) Binding Commitment to Spend Available Project Proceeds. The District will, within 6 months of the date of this Lease, enter into a substantial binding obligation to a third party to spend at least 10% of the Available Project Proceeds for a Qualified Purpose with respect to the QZAB Program.

(j) Financing Capital Expenditures, No Working Capital. All Available Project Proceeds of the Lease will be spent on capital expenditures with a reasonably expected economic life of one year or more.

(k) Limitation on Costs of Issuance. No proceeds of this Lease and investment earnings thereon, in an amount in excess of 2% of the proceeds of the sale of this Lease, will be used to pay Costs of Issuance. If the fees of the Assignee, as original purchaser of the Lease, are retained as a discount on the purchase of this Lease, such retention shall be deemed to be an expenditure of proceeds of this Lease for said fees and such fees are deemed to be Costs of Issuance.

(l) Prohibition on Financial Conflicts of Interest. The District hereby covenants and agrees to comply with all State and local law requirements governing conflicts of interest as such requirements may relate, directly or indirectly, to this Lease. The District hereby covenants and agrees to comply with any conflict of interest rules prescribed by the IRS or United States Department of Treasury governing the appropriate member of Congress, Federal, State, and local officials, and their spouses as such rules may apply to this Lease.

(m) Davis-Bacon Act Requirements. The District hereby covenants and agrees to comply with the requirements of Title 40, Subtitle II, Part A, Chapter 31, Subchapter IV of the United States Code as such requirements relate to the QZAB Program and the Equipment.

(n) Maintenance of Qualification for Tax Credit. The District shall take all actions necessary to assure that the Lease remains a "qualified zone academy bond" which is eligible for the tax credit under Sections 54A(a) and 54E(a) of the Tax Code.

(o) I.R.S. Form 8038-TC. The District covenants and represents that the information contained in the *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds,* Form 8038-TC relating to this Lease is true and complete. The District will file Form 8038-TC (and all other required information reporting forms) in a timely manner.

(p) I.R.S. Form 1097- BTC. The District understands that it is required to timely file an annual Form 1097- BTC, Bond Tax Credit, and a Form 1096, Annual

Summary and Transmittal of U.S. Information Returns, for the Lease with the Internal Revenue Service. The District also understands that it must furnish a statement to each person who is allowed a tax credit as holder of the Lease or an interest therein on a quarterly basis for the calendar quarter for which a credit was allowed. Such forms and filing requirements are subject to change at any time and the District acknowledges that it is the District's responsibility to keep abreast of developments in this area.

Section 7.8. Environmental Covenants.

(a) *Compliance with Laws; No Hazardous Substances.* The District will comply with all Applicable Environmental Laws with respect to the Leased Property 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 Leased Property.

(b) In connection with its covenants provided in this Section 7.8, the District shall specifically comply with all requirements of the Asbestos Hazard Emergency Response Act (referred to as "AHERA" and constituting an Applicable Environmental Law), including developing, maintaining and updating an Asbestos Management Plan (as hereafter defined) and keeping a copy at the Leased Property; and performing re-inspections of Asbestos Containing Materials (as hereafter defined) at the Leased Property 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 Leased Property relating to monitoring and maintaining all Asbestos Containing Materials used or located on the Leased Property in accordance with the Asbestos Hazard Emergency Response Act (AHERA).

(c) *Notification of Assignee.* 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 Leased Property and any operations conducted thereon or any conditions existing thereon to the Assignee, and the District will notify the Assignee in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substances that has occurred or is occurring that in any way affects or threatens to affect the Leased Property, or the people, structures, or other property thereon, provided that no such notifications shall create any liability or obligation on the part of the Assignee.

(d) *Access for Inspection.* The District shall permit the Assignee, its agents, or any experts designated by the Assignee to have full access to the Leased Property during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the Assignee has no obligation to do so, or any liability for any failure to do so, or any liability should it do so.

(e) The District hereby represents and warrants that the information contained in the Environmental Questionnaire that the District delivered to the Assignee on May 23, 2013 is true, complete and accurate as of the Closing Date as if delivered on such Date.

Section 7.9. Financial Statements; Budgets. Within 270 days following the end of each Fiscal Year of the District during the Term of this Lease, the District shall provide the Assignee with a copy of its audited financial statements for such Fiscal Year. Such audited financial statements shall include a balance sheet, a statement of revenues, expenses and changes in fund balances for budget and actual, a statement of cash flows, notes, schedules and any attachments to the financial statements and such other financial information as the Assignee shall reasonably request. Upon Assignee's request, the District will provide the Assignee with a copy of its annual budget and any interim updates or modifications to such budget.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. Any one or more of the following events constitutes an Event of Default hereunder:

(a) Failure by the District to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein or to maintain insurance as specified in Article V.

(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in the preceding clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Corporation or the Assignee. However, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30 day period, the Corporation and the Assignee shall not unreasonably withhold their consent to an extension of such time (for a period not to exceed 60 days) if corrective action is instituted by the District within such 30 day period and diligently pursued until the default is corrected.

(c) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

(d) Any representation, warranty or certification made by the District hereunder or in connection herewith shall have been incorrect or misleading when made.

(e) Any default occurs under any other agreement for borrowing money or receiving credit under which the District may be obligated as borrower, if such default consists of (i) the failure to pay any amount when due under such agreement or (ii) the failure to perform any other obligation thereunder and such failure gives the holder of such agreement the right to accelerate the amounts payable thereunder.

Section 8.2. Remedies on Default. Whenever any Event of Default has happened and is continuing, the Corporation may exercise any and all remedies available under law or granted under this Lease; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the District is expressly made a condition and upon the breach thereof the Corporation may exercise any and all rights granted hereunder; provided, that no termination of this Lease shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon

the occurrence and during the continuance of any Event of Default, the Corporation may exercise any one or more of the following remedies:

(a) *Enforcement of Payments Without Termination*. If the Corporation does not elect to terminate this Lease in the manner hereinafter provided for in subparagraph (b) hereof, the District agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained, and the Corporation may take whatever action at law or in equity that may appear necessary or desirable to collect each Lease Payment as it becomes due hereunder. The District shall reimburse the Corporation for any deficiency arising out of the re leasing of the Leased Property, or, if the Corporation is unable to re lease or sell the Leased Property, then for the full amount of all Lease Payments to the end of the Term of this Lease, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re entry or obtaining possession of the Leased Property or the exercise of any other remedy by the Corporation. The District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to enter upon and re lease the Leased Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Leased Property, to place such property in storage or other suitable place located in the County of Contra Costa for the account of and at the expense of the District, and the District hereby exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re leasing of the Leased Property and the removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The District agrees that the terms of this Lease constitute full and sufficient notice of the right of the Corporation to re lease the Leased Property in the event of such re entry without effecting a surrender of this Lease, and further agrees that no acts of the Corporation in effecting such re leasing shall constitute a surrender or termination of this Lease irrespective of the term for which such re leasing is made or the terms and conditions of such re leasing, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Lease shall vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof. The District agrees to surrender and quit possession of the Leased Property upon demand of the Corporation for the purpose of enabling the Leased Property to be re let under this paragraph, and the District agrees that any rental obtained by the Corporation in excess of the Lease Payments can be applied as compensation to the Corporation for its services in re-leasing the Leased Property.

(b) *Termination of Lease*. If an Event of Default occurs and is continuing hereunder, the Corporation at its option may terminate this Lease and re-lease all or any portion of the Leased Property. If the Corporation terminates this Lease at its option and in the manner hereinafter provided due to a default by the District (and notwithstanding any re entry upon the Leased Property by the Corporation in any manner whatsoever or the re leasing of the Leased Property), the District nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments and Additional Payments. Any surplus received by the Corporation from such re leasing shall be applied by the Corporation to Lease Payments due under this Lease. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the

Corporation shall of itself operate to terminate this Lease, and no termination of this Lease on account of default by the District shall be or become effective by operation of law, or otherwise, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this Lease. The District covenants and agrees that no surrender of the Leased Property, or of the remainder of the Term hereof or any termination of this Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(c) *Proceedings at Law or In Equity*. If an Event of Default occurs and continues hereunder, the Corporation may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

(d) *Remedies under the Site Lease*. If an Event of Default occurs and continues hereunder, the Corporation may exercise its rights under the Site Lease.

(e) *Application of QZAB Program Fund*. If an Event of Default occurs and continues hereunder, at the request of the Assignee, the District shall cause the Program Fund Custodian to transfer all amounts in the QZAB Program Fund to be used to pay the next Lease Payment coming due.

(f) *Mandamus*. By action pursuant to the California Code of Civil Procedure, or as otherwise provided by law, obtain the issuance of a writ of mandamus enforcing, for each fiscal year seriatim during the entire balance of the remaining Term of this Lease, subject to Section 6.3, the duty of the District to appropriate and take all other administrative steps necessary for the payment of Lease Payments and other amounts due hereunder.

(g) *Leased Property Equipment*. With or without terminating this Lease, the Corporation may enter the premises where the Leased Property Equipment is located and retake possession of such Leased Property Equipment or require the District at District's expense to promptly return any or all of such Leased Property Equipment to the possession of the Corporation at such place within the United States as the Corporation shall specify, and sell or lease such Leased Property Equipment or, for the account of the District, sublease such Leased Property Equipment, continuing to hold the District liable, but solely from legally available funds, for the difference between (i) the Lease Payments payable by the District and other amounts hereunder that are payable by the District hereunder, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Corporation in exercising its remedies hereunder, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Leased Property Equipment and all brokerage, auctioneer's and attorney's fees); provided, that in no event shall the District be liable in any Rental Period for any amount in excess of the Lease Payments due during such Rental Period. The exercise of any such remedies respecting any such Event of Default shall not relieve the District of any other liabilities hereunder including with respect to the Lease Payments, the Leased Property or the Leased Property Equipment.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver

thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. If either party to this Lease defaults under any of the provisions hereof and the nondefaulting party should employ attorneys (including in-house legal counsel) or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys (including allocable costs and expenses of in-house legal counsel, if any) and such other expenses so incurred by the nondefaulting party.

Section 8.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.6. Assignee to Exercise Rights. Such rights and remedies as are given to the Corporation under this Lease, including this Article VIII have been assigned by the Corporation to the Assignee, to which assignment the District hereby consents. Such rights and remedies shall be exercised solely by the Assignee.

ARTICLE IX

PREPAYMENT OF LEASE PAYMENTS

Section 9.1. Security Deposit. Notwithstanding any other provision of this Lease, after delivering to the Assignee an opinion of Bond Counsel satisfactory to the Assignee that the deposit and the deemed payment by the District in this Section 9.1 will not constitute reissuance of the Lease or any Lease Payments for federal tax purposes or adversely affect the status of the Lease as a "qualified zone academy bond" or adversely affect any Tax Credits claimed or to be claimed by a Holder, the District may on any date secure the payment of the Lease Payments in whole or in part by depositing with a trustee, escrow agent or other fiduciary selected by the District and acceptable to the Assignee an amount of cash, which shall be held in a segregated trust or escrow fund under a trust or escrow agreement that is in form and content acceptable to the Assignee, which cash so held is either (a) sufficient to pay such Lease Payments without reinvestment, including the principal and interest components thereof, in accordance with the Schedule of Lease Payments set forth in Appendix C, or (b) invested in whole or in part in non callable Federal Securities in such amount as will, in the opinion of an independent certified public accountant (which opinion must be in form and substance, and with such an accountant, acceptable to the Assignee and addressed and delivered to the Assignee), together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient, without reinvestment of any earning or income on such amounts, to pay such Lease Payments, when due under Section 4.4 or when due on any optional prepayment date under Section 9.2(a) as the District instructs at the time of said deposit. If the District delivers the opinion of Bond Counsel described in the preceding sentence and posts a security deposit under this Section with respect to all unpaid Lease Payments, and notwithstanding the provisions of Section 4.3, (a) the Term of this Lease will continue, (b) all obligations of the District under this Lease, and all security provided by this Lease for said obligations, will thereupon cease and terminate, excepting only the obligation of the District to make, or cause to be made, all of the Lease Payments from such security deposit and its obligation provided in the next succeeding paragraph, and (c) the Corporation's leasehold interest in the Leased Property will terminate on the date of said deposit automatically and without further action by the District or the Corporation. The District hereby grants a first priority security interest in and the lien on said security deposit and all proceeds thereof in favor of the Assignee. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease.

Notwithstanding anything in this Section 9.1 or otherwise in this Lease to the contrary, if the amount held in such security deposit shall at any time be insufficient (for whatever reason) to pay Lease Payments when due in full as provided in clause (a) or (b), as applicable, of the first paragraph of this Section 9.1, the District shall immediately pay to the Assignee on the applicable due date or due dates the amount of any such shortfall from funds legally available for such purpose.

Section 9.2. Optional Prepayment.

(a) The District may prepay the unpaid principal components of the Lease Payments in whole, but not in part, on the first business day following a Credit Allowance Date on or after September 16, 2014, by paying a prepayment price equal to (i) 103% of the aggregate principal components of the Lease Payments to be prepaid (which includes a prepayment premium) if such prepayment date occurs on or after September 16, 2014 and on or before September 16, 2020, (ii) 102% of the aggregate principal components of the Lease Payments to be prepaid (which includes a prepayment premium) if such prepayment date occurs on or after September 16, 2021 and on or before September 16, 2025, and (ii) 101% of the aggregate principal

components of the Lease Payments to be prepaid (which includes a prepayment premium) if such prepayment date occurs on or after September 16, 2026, plus in each case accrued interest on such prepaid principal components to the prepayment date.

(b) The Lease Payments are subject to prepayment in whole at the option of the District, on the first business day following a Credit Allowance Date within 180 days of a Loss of Qualified Zone Academy Status, which date shall be identified by the District in a written notice delivered to the owners of the Lease Payments at least 30 (but not more than 45) days prior to the specified prepayment date. Prepayment of the Lease Payments (as described in this paragraph) shall be at a price equal to the sum of (1)(i) 103% of the aggregate principal components of the Lease Payments to be prepaid (which includes a prepayment premium) if such prepayment date occurs on or before September 16 2020, (ii) 102% of the aggregate principal components of the Lease Payments to be prepaid (which includes a prepayment premium) if such prepayment date occurs on or after September 16, 2021 and on or before September 16, 2025, and (ii) 101% of the aggregate principal components of the Lease Payments to be prepaid (which includes a prepayment premium) if such prepayment date occurs on or after September 16, 2026, plus (2) in each case accrued interest on such prepaid principal components to the prepayment date, plus (3) an additional amount determined in the same manner as provided under Section 4.5, for the period during which the Lease Agreement is determined not to be eligible to be treated as a "qualified zone academy bond" under Section 54 of the Tax Code.

(c) The District shall have the option to prepay up to $6,000,000 of the principal component of the Lease Payments on June 16, 2014 at a price equal to $6,000,000 plus accrued interest on such principal component to the prepayment date.

(d) The District shall give the Corporation and the Assignee notice of its intention to exercise its option to prepay the Lease Payments under this Section 9.2 not less than 30 days in advance of the intended prepayment date.

Section 9.3. Extraordinary Mandatory Prepayment From Certain Sources Under Certain Circumstances.

(a) The District shall prepay the unpaid principal components of the Lease Payments in whole or in part on the first business day following a Credit Allowance Date, from and to the extent of any Net Proceeds to be used for such purpose under Section 6.2, by paying a prepayment price equal to (A) 103% of the aggregate principal components of the Lease Payments to be prepaid (which includes a prepayment premium) if such prepayment date occurs prior to September 16, 2020, (B) 102% of the aggregate principal components of Lease Payments to be prepaid (which includes a prepayment premium) if such prepayment occurs on or after September 16, 2021 and on or before September 16, 2025, and (C) 101% of the aggregate principal components of the Lease Payments to be prepaid (which includes a prepayment premium) if such prepayment date occurs on or after September 16, 2026, plus in each case accrued interest on such prepaid principal components to the prepayment date. The District shall give the Corporation notice of prepayment of Lease Payments under this Section 9.3(a) not less than 60 days in advance of such prepayment date.

(b) The District will be obligated to prepay the Lease Payments in whole, or in part in inverse chronological order among the remaining Lease Payments, on the first business day immediately succeeding a Credit Allowance Date no later than the 90th day following the expiration of the Expenditure Period, from amounts remaining on deposit in the QZAB Program Fund, by paying a prepayment price equal to the sum of (1)(i) 103% of the aggregate principal components of the Lease Payments to be prepaid (which includes a prepayment

premium) if such prepayment date occurs on or after September 16, 2014 and on or before September 16, 2020, (ii) 102% of the aggregate principal components of the Lease Payments to be prepaid (which includes a prepayment premium) if such prepayment date occurs on or after September 16, 2021 and on or before September 16, 2025, and (ii) 101% of the aggregate principal components of the Lease Payments to be prepaid (which includes a prepayment premium) if such prepayment date occurs on or after September 16, 2026, plus (2) in each case accrued interest on such prepaid principal components to the prepayment date.. The District will give the Corporation and the Assignee notice of such prepayment not less than 60 days in advance of the prepayment date. In connection with any such prepayment, the District shall pay the prepayment premium and interest accrued to the prepayment date on the prepaid principal portion from funds legally available to the District for that purpose, but not from Available Project Proceeds.

(c) Prepayment in part of the unpaid principal components of Lease Payments as provided in this Section 9.3 shall be applied to reduce the principal components of Lease Payments in inverse order of the Lease Payment Dates.

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices. Any notice, request, complaint, demand or other communication under this Lease shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Corporation, the District and the Assignee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the District:	Antioch Unified School District 510 G Street Antioch, California 94509 Attention: Associate Superintendent, Business and Operations
If to the Corporation:	Public Property Financing Corporation of California 2945 Townsgate Road, Suite 200 Westlake Village, California 91361 Attention: President
If to the Assignee:	Banc of America Leasing & Capital, LLC 11333 McCormick Road Hunt Valley II M/C MD5-032-07-05 Hunt Valley, Maryland 21031 Attention: Contract Administration Fax: (443) 556-6977

Section 10.2. Binding Effect. This Lease inures to the benefit of and is binding upon the Corporation, the District and their respective successors and assigns.

Section 10.3. Severability. If any provision of this Lease is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 10.4. Net-net-net Lease. This Lease is a "net-net-net lease" and the District hereby agrees that the Lease Payments are an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

Section 10.5. 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 Leased Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

Section 10.6. Execution in Counterparts. This Lease may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 10.7. Applicable Law. This Lease is governed by and construed in accordance with the laws of the State of California.

*Section 10.8. Caption*s. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Lease.

Section 10.9. No Merger. It is the express intention of the Corporation and the District that this Lease and the obligations of the parties hereunder are separate and distinct from the Site Lease and the obligations of the parties thereunder, and that during the term of the Site Lease and this Lease no merger of title or interest may occur or be deemed to occur as a result of the respective positions of the Corporation and the District thereunder and hereunder.

Section 10.10. Third Party Beneficiary. The Assignee is made a party beneficiary hereunder with all rights of a third party beneficiary.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation and the District have caused this Lease Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA,
as Lessor

By _____
William Morton,
Secretary/Treasurer

ANTIOCH UNIFIED SCHOOL DISTRICT, *as Lessee*

By _____
Donald Gill, Ed.D.
Superintendent

IN WITNESS WHEREOF, the Corporation and the District have caused this Lease Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA,
as Lessor

By _____
William Morton,
Secretary / Treasurer

ANTIOCH UNIFIED SCHOOL DISTRICT, *as Lessee*

By _____
Donald Gill, Ed.D.
Superintendent

State of California)

County of Los Angeles)

On June 19, 2013 before me, Joseph Mina, notary public, personally appeared William Morton who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person 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.

Signature _____

JOSEPH MINA
Commission # 1858608
Notary Public - California
Los Angeles County
My Comm. Expires Aug 19, 2013

(Seal)

STATE OF CALIFORNIA)
) ss
COUNTY OF CONTRA COSTA)

On July 18, 2013, before me, Nancy L Billeci, Notary Public, personally appeared **Donald Gill,** who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ **(Seal)**

NANCY L. BILLECI
Comm. #1948091
Notary Public · California
Contra Costa County
Comm. Expires Sep 10, 2015

APPENDIX A

ANTIOCH UNIFIED SCHOOL DISTRICT QZAB PROGRAM

Proceeds from the QZABs will finance the procurement of solar generation and energy efficiency projects, benefiting a District-wide academy designed to provide students academic training in the areas of science, technology, engineering and math (STEM). STEM academy educational content will be provided at 20 district campuses, including high schools, middle schools and elementary schools. This educational content is expected to include STEM programing designed by, and offered through, Project Lead the Way, as well as solar science modules developed by SunPower Corporation, all as more particularly described in the District's 6 applications to the California Department of Education ("CDE") for Qualified Zone Academy Bond Allocation, all dated March 15, 2013, as modified by that certain Supplemental QZAB Memorandum, dated June 24, 2013, from the District to CDE.

APPENDIX B

DESCRIPTION OF THE LEASED PROPERTY

The Leased Property consists of the following described land located in the City of Antioch, County of Contra Costa, State of California, together with all buildings, facilities and other improvements which constitute real property and which are located thereon:

Parcel 1:

Being a portion of Section 31, Township 2 North, Range 2 East, Mount Diablo Base and Meridian described as follows:

Commencing at the South 1/4 corner of said Section 31; thence along the South line or said Section 31 North 89° 21′ 42″ West, 50.00 feet to a point on the Westerly line of Dallas Ranch Road and the true point of beginning for this description; thence continuing along said South line North 89° 21′ 4″′ West, 965.01 feet; thence North 4° 52′ 30″ East. 259.11 feet; thence North 17° 42′ 09″ East, 100.00 feet; thence North 38° 32′ 13″ East, 53.50 feet; thence North 74° 21′ 14″ East. 160.94 feet; thence North 75° 05′ 67″ East, 49.21 feet; thence North 78° 32′ 59″ East. 50.47 feet; thence North 81° 16′ 55″ East, 48.46 feet; thence North 87° 00′ 00″ East. 51.95 feet; thence South 87° 00′ 00″ East, 98.72 feet; thence South 76° 33′ 15″ East, 99.06 feet; thence North 16° 26′ 13″ East. 99.23 feet to the beginning of a non- tangent curve, concave to the South, having a radius of 767.50 feet, a radial line to the center bears South 16° 26′ 13″ West; thence Southeasterly along the arc of said curve 47.73 feet through a central angle of 3° 33′ 47″ to a point of tangency; thence South 70° 00′ 00″ East, 174.90 feet to the beginning of a tangent curve, concave to the North having a radius of 230.00 feet; thence along the arc of said curve 76.79 feet through a central angle of 19° 07′ 43″ to a point of tangency; thence South 89° 07′ 43″ East. 6.57 feet to the beginning of a tangent curve, concave to the Southwest, having a radius of 20.00 feet; thence along the arc of said curve 31.42 feet through a central angle of 90° 00′ 00″ to a point of tangency; thence South 00° 52′ 17" West, 440.20 feet to the true point of beginning.

EXCEPTING THEREFROM:

Commencing at the Northeast corner of Parcel “C” (141 PM 46); thence from said point of commencement along the North line of said Parcel “C”, North 8° 21′ 42" West, 339.02 feet to the true point of beginning; thence from said true point of beginning continuing along said North line North 89° 21′ 42″ West, 5.50 feet; thence South 76° 33′ 1″′ East, 5.29 feet; thence North 16° 20′ 13″ East, 1.22 feet to the true point of beginning.

ALSO EXCEPTING THEREFROM:

All oil, mineral, gas and other hydrocarbon substances below a depth of 500 feet, as reserved In the Deed from Dorothy A. Carey and Denis I. Carey, as Co-Administrators, recorded April 15, 1977, Book 8286, Page 483, Official Records.

APN: 072-012-085

Parcel 2:

Commencing at the North 1/4 corner of said Section 6; thence along the North line of said Section 6 North 89° 21′ 42″ West, 49.96 feet to a point on the Westerly line of Dallas Ranch Road and the TRUE POINT OF BEGINNING said point lying on the arc of a non-tangent curve concave to the East having a radius of 1050.00 feet, a radial line to the center bears South 89° 37′ 12″ East; thence leaving said North line Southerly along the Westerly line of said Dallas Ranch Road and the arc of said curve 9.73 feet through a central angle of 00°31′ 51″ to a point of tangency; thence South 00° 09′ 03″ East, 410.03 feet to the beginning of a tangent curve, concave to the Northwest having a radius of 20.00 feet; thence leaving said West line of Dallas Ranch Road along the arc of said curve 31.69 feet through a central angle of 90° 47′ 21″ to a point of tangency; thence North 89° 21′ 42″ West, 279.72 feet to the beginning of a tangent curve, concave to the South having a radius of 1000.00 feet; thence along the arc of said curve 38.17 feet, through a central angle of 2° 11′ 14″ to a point of tangency; thence South 88° 27′ 04′ West, 223.83 feet to the beginning of a tangent curve, concave to the North, having a radius of 1000.00 feet; thence along the arc of said curve 38.17 feet, through a central angle of 2° 11′ 14″ to a point of tangency: thence North 89° 21′ 42″ West, 404.40 feet; thence North 04° 52′ 30″ East. 451.23 feet to a point on the Northerly line of said Section 6; thence along said northerly line South 89° 21′ 42″ East, 965.05 feet to the TRUE POINT OF BEGINNING.

Excepting from that portion of said land lying within the parcel of land described in the Deed to Paul Dallas, et ux, recorded August 15, 1966, Book 5183, Page 158, Official Records, an undivided 1/2 interest in “all mineral rights”, as reserved in said Deed from Edward Arthur Prewett, recorded August 15, 1966, Book 5183, Page 158, Official Records.

APN: 055-270-001-5

(End of Legal Description)

APPENDIX C

SCHEDULE OF LEASE PAYMENTS

Pmt. No.	Pmt. Year	Payment Date	Payment Amount	Interest Portion	Principal Portion	Outstanding Balance	Prepayment Price
1	1	6/16/14	$310,289.66	$310,289.66		$29,999,000.00	$30,898,970.00
2	2	12/16/14	573,994.20	173,994.20	$ 400,000.00	29,599,000.00	30,486,970.00
3	2	6/16/15	1,664,860.03	171,674.20	1,493,185.83	28,105,814.17	28,948,988.59
4	3	12/16/15	163,013.72	163,013.72		28,105,814.17	28,948,988.59
5	3	6/16/16	2,118,092.60	163,013.72	1,955,078.88	26,150,735.29	26,935,257.35
6	4	12/16/16	151,674.26	151,674.26		26,150,735.29	26,935,257.35
7	4	6/16/17	2,172,870.38	151,674.26	2,021,196.11	24,129,539.18	24,853,425.35
8	5	12/16/17	139,951.33	139,951.33		24,129,539.18	24,853,425.35
9	5	6/16/18	2,229,249.08	139,951.33	2,089,297.75	22,040,241.43	22,701,448.67
10	6	12/16/18	127,833.40	127,833.40		22,040,241.43	22,701,448.67
11	6	6/16/19	1,562,944.49	127,833.40	1,435,111.09	20,605,130.34	21,223,284.26
12	7	12/16/19	119, 509.76	119,509.76		20,605,130.34	21,223,284.26
13	7	6/16/20	1,620,266.40	119,509.76	1,500,756.64	19,104,373.70	19,677,504.91
14	8	12/16/20	110, 805.37	110,805.37		19,104,373.70	19,486,461.18
15	8	6/16/21	1,679,280.44	110,805.37	1,568,475.08	17,535,898.62	17,886,616.60
16	9	12/16/21	101,708.21	101,708.21		17,535,898.62	17,886,616.60
17	9	6/16/22	1,740,033.18	101,708.21	1,638,324.97	15,897,573.66	16,215,525.13
18	10	12/16/22	92,205.93	92,205.93		15,897,573.66	16,215,525.13
19	10	6/16/23	1,802,572.38	92,205.93	1,710,366.45	14,187,207.21	14,470,951.35
20	11	12/16/23	82,285.80	82,285.80		14,187,207.21	14,470,951.35
21	11	6/16/24	1,866,947.06	82,285.80	1,784,661.26	12,402,545.95	12,650,596.87
22	12	12/16/24	71,934.77	71,934.77		12,402,545.95	12,650,596.87
23	12	6/16/25	1,933,207.55	71,934.77	1,861,272.78	10,541,273.17	10,752,098.63
24	13	12/16/25	61,139.38	61,139.38		10,541,273.17	10,646,685.90
25	13	6/16/26	2,001,405.45	61,139.38	1,940,266.06	8,601,007.11	8,687,017.18
26	14	12/16/26	49, 885.84	49,885.84		8,601,007.11	8,687,017.18
27	14	6/16/27	2,071,593.74	49,885.84	2,021,707.90	6,579,299.21	6,645,092.20
28	15	12/16/27	38,159.94	38,159.94		6,579,299.21	6,645,092.20
29	15	6/16/28	2,143,826.75	38,159.94	2,105,666.82	4,473,632.39	4,518,368.72
30	16	12/16/28	25,947.07	25,947.07		4,473,632.39	4,518,368.72
31	16	6/16/29	2,218,160.25	25,947.07	2,192,213.19	2,281,419.21	2,304,233.40
32	17	12/16/29	13,232.23	13,232.23		2,281,419.21	2,304,233.40
33	17	6/16/30	2,294,651.44	13,232.23	2,281,419.21	0.00	0.00

APPENDIX D

LEASED PROPERTY EQUIPMENT SCHEDULE

LOCATION OR LOCATIONS OF EQUIPMENT:

The Equipment will be located at the District's 4 high schools, 4 middle schools and 12 elementary schools, all as more particularly described in the District's applications to the California Department of Education ("CDE"), dated March 15, 2013, for Qualified Zone Academy allocation, as modified by the Supplemental QZAB Memorandum from the District to CDE dated June 24, 2013.

DESCRIPTION OF LEASED PROPERTY EQUIPMENT

Leased Property Equipment and improvements financed by the Lease, including (without limitation) installation of solar array energy system, photovoltaic equipment and related property, including (without limitation) photovoltaic modules, inverters, transformers, switches and interconnection equipment, together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto as more particularly described in that certain Contract for Design and Construction (Government Code Section 4217.10 *et seq.)* dated July 25, 2013 by and between Sunpower Corporation, Systems and the District.

CERTIFICATE OF ACCEPTANCE OF LEASE AGREEMENT

This is to certify that the interest in real property conveyed by the Taxable Lease Agreement (Qualified Zone Academy Bonds, Tax Credit), dated as of July 1, 2013, between Public Property Financing Corporation of California, as lessor, and Antioch Unified School District, as lessee (the "District"), is hereby accepted by the undersigned officer on behalf of the District pursuant to the authority conferred by resolution of the Board of Education of the District adopted on July 11, 2013, and the District consents to recordation thereof by its duly authorized officer.

Dated as of July 1, 2013

ANTIOCH UNIFIED SCHOOL DISTRICT,
as Lessee

By: _____
Donald Gill, Ed.D.
Superintendent

2013-1462

$29,999,000
ANTIOCH UNIFIED SCHOOL DISTRICT
2013 Lease Financing
(Qualified Zone Academy Bonds, Tax Credit)

CERTIFICATE OF THE DISTRICT

The undersigned hereby states and certifies that:

(i) we are the duly appointed, qualified and acting Superintendent and Associate Superintendent, Business and Operations, respectively, of the Antioch Unified School District, a unified school district duly organized and existing under the laws of the State of California (the "District"), and as such, we are familiar with the facts herein certified and are authorized and qualified to certify the same;

(ii) the signatures set forth opposite the names and titles of the following persons are the true and correct specimens of, or are, the genuine signatures of such persons, each of whom holds the office designated below:

Name and Title	Signature
Donald Gill, Ed.D., Superintendent and Clerk of the Board of Education	
Timothy R. Forrester, Associate Superintendent, Business and Operations	

(iii) we are each an "Authorized Officer" of the District, as such term is defined in Resolution No. 2013-14-01, entitled "Resolution of the Board of Education of the Antioch Unified School District Authorizing Execution of Lease Financing Documents to Finance a Qualified Zone Academy Program, and Approving Related Documents and Actions" (the "Resolution"), adopted by the Board of Education of the District (the "Board") on July 11, 2013; the Resolution was duly adopted by the Board of the District at an open public meeting which was called, noticed and conducted in accordance with all applicable requirements of California law, at which a quorum was present and acting throughout, and the Resolution has not been amended, modified, supplemented, rescinded or repealed and is in full force and effect as of the date hereof;

(iv) by all necessary action, the District has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained in the following agreements (collectively referred to herein as the "Financing Documents"):

(a) Purchase Agreement, dated July 12, 2013 (the Purchase Agreement"), between Banc of America Leasing & Capital, LLC (the "Bank") and the District,

(b) Certificate of Termination, dated as of July 1, 2013, among the District, the Contra Costa Schools Financing Authority and The Bank of New York Mellon Trust Company, N.A.,

(c) Site Lease, dated as of July 1, 2013, between the District, as lessor, and the Public Property Financing Corporation of California (the "Corporation"), as lessee,

(d) Taxable Lease Agreement (Qualified Zone Academy Bonds, Tax Credit), dated as of July 1, 2013 (the "Lease"), between the Corporation, as lessor and the District, as lessee, and

(e) Program Fund Agreement, dated as of July 1, 2013, among the Bank, the Corporation, the District and Deutsche Bank Trust Company Americas, as custodian;

(v) for and on behalf of the District, the within-named Superintendent has executed the Financing Documents, except the within-named Associate Superintendent, Business and Operations has executed the Purchase Agreement;

(vi) the representations and warranties of the District contained in the Financing Documents are true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof;

(vii) to the best of our knowledge, no litigation is pending or to the best of our knowledge, threatened (either in state or federal courts) to restrain or enjoin the execution or delivery of the Financing Documents, in any way contesting or affecting the authority for the execution and delivery of the Financing Documents or the validity of the Financing Documents, or in any way contesting the existence or powers of the District or the title of the officers thereof to their respective offices;

(viii) the functions and responsibilities of the District officer entitled "Associate Superintendent, Business and Operations" are functionally identical to those performed by the "Assistant Superintendent, Business" of the District, as that title and office existed in 1990, at the time of creation of the Contra Costa Schools Financing Authority (the "Authority"), and that therefore, the officer serving on this date as the "Associate Superintendent, Business and Operations" acts, *ex officio*, as the Treasurer of the Authority, as specified in Section 3.02 of that certain Joint Exercise of Powers Agreement – Contra Costa Schools Financing Authority, dated as of December 1, 1990;

(ix) the notice of public hearing on the financing is attached hereto, and such notice was duly posted and published in accordance with Section 4217.13 of the Government Code of the State of California;

(x) the District's employer identification number for federal tax purposes is 52-1527181; and

(x) all financial statements and other information delivered to the Bank are correct and complete, and from the date of the Purchase Agreement to the date hereof no change has occurred in the District's creditworthiness that could have a material adverse effect on the financial condition or operations of the District or the District's ability to perform its obligations under the Lease.

Capitalized terms used here and not otherwise defined have the meanings given them in the Lease.

Dated: July 25, 2013

ANTIOCH UNIFIED SCHOOL DISTRICT

By: _____
Donald Gill, Ed.D.
Superintendent

By: _____
Timothy R. Forrester
Associate Superintendent,
Business and Operations

NOTICE OF PUBLIC HEARING
ON INTENTION OF ANTIOCH UNIFIED SCHOOL DISTRICT
TO CONSIDER ENTERING INTO AN ENERGY SERVICES CONTRACT,
FACILITY FINANCING CONTRACTS AND LEASES

NOTICE IS HEREBY GIVEN of the intention of the Governing Board of the Antioch Unified School District ("District"), pursuant to the terms of Government Code sections 4217.12 and 4217.13, to consider entering into an energy services contract, facility financing contracts, and facility ground leases in connection with the financing, design, and construction of those certain energy conservation facilities (the "Equipment") at various school campus locations throughout the District, as will be presented at the public hearing pursuant to Government Code sections 4217.12 and 4217.13 ("Agreements"). Qualified zone academy bonds and the proceeds of facility financing contracts will be used to pay for qualified purposes under section 54E of the Internal Revenue Code. The principal amount of the financing will not exceed $30,000,000.

The time and place set for the public hearing on the intention of the Governing Board of the District to consider entering into the Agreements is July 11, 2013, beginning at 4:00 p.m., or as soon thereafter as practicable, at the District's administration building located at 510 G Street, Antioch, California, 94509.

At such time the testimony of all interested persons for or against the proposed Agreements will be heard. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing, and shall clearly set forth the irregularities and defects to which the objection is made. Any written protest shall be filed with the Board Secretary of the District on or before the time set for the hearing. The District may waive any irregularities in the form or content of any written notice and at the hearing may correct minor defects in the proceedings. Written protests may be withdrawn, in writing, at any time before the conclusion of the hearing.

DATED: June 21, 2013

Donald Gill

Dr. Donald Gill
Superintendent
Antioch Unified School District

JH
JONES HALL

2013-1462

650 California Street
18th Floor
San Francisco, CA 94108
t. 415.391.5780
f. 415.391.5784

July 25, 2013

Board of Education
Antioch Unified School District
510 G Street
Antioch, California 94509

OPINION: $29,999,000 Antioch Unified School District 2013 Taxable Lease Agreement (Qualified Zone Academy Bonds, Tax Credit)

Members of the Board of Education:

We have acted as special counsel to the Antioch Unified School District (the "District") in connection with the delivery by the District of a Site Lease, dated as of July 1, 2013 (the "Site Lease"), between the District, as lessor, and the Public Property Financing Corporation of California (the "Corporation"), as lessee, and a Taxable Lease Agreement (Qualified Zone Academy Bonds, Tax Credit), dated as of July 1, 2013 (the "Lease"), between the Corporation, as lessor, and the District, as lessee. Under an Assignment Agreement, dated as of July 1, 2013 (the "Assignment"), between the Corporation, as assignor, and Banc of America Leasing & Capital, LLC, as assignee (the "Bank"), the Corporation has assigned all of its rights under the Site Lease and the Lease and the Program Fund Agreement (as hereinafter defined), including but not limited to the right to receive and collect all of the lease payments from the District under the Lease (the "Lease Payments"). In our capacity as special counsel, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Site Lease, the Lease, the Purchase Agreement, dated July 12, 2013, between the District and the Bank (the "Purchase Agreement"), and the Program Fund Agreement, dated as of July 1, 2013 (the "Program Fund Agreement"), among the Bank, the Corporation, the District and Deutsche Bank Trust Company Americas, as custodian (collectively, the "Financing Documents") and in certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is a school district, duly organized and validly existing under the laws of the State of California, with the full power to enter into the Financing Documents, and to perform the agreements on its part contained therein.

2. The Financing Documents have been duly approved by the District, and constitute valid and binding obligations of the District, enforceable against the District in accordance with their respective terms.

3. The Lease constitutes a "qualified zone academy bond" within the meaning of Section 54E of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and a taxpayer holding the Lease on a Credit Allowance Date will be allowed a tax credit against federal income tax imposed on such taxpayer for the taxable year that includes the Credit Allowance Date, in an amount equal to 25% of the product of the Tax Credit Rate (identified in the Purchase Agreement) multiplied by the face amount of the Lease held by such taxpayer on the Credit Allowance Date; subject to proration in certain instances as required by Section 54A(b)(4) of the Tax Code and the limitations set forth in Section 54A(c) of the Tax Code. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Tax Code that must be satisfied subsequent to the delivery of the Lease in order that the Lease is continues to be, a "qualified zone academy bond" eligible for the tax credit set forth in Sections 54A and 54E of the Tax Code. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the Lease to cease to be treated as a "qualified zone academy bond" either prospectively from the date of determination or retroactively to the date of delivery of the Lease. We express no opinion regarding the procedures regarding, and availability of funds with respect to, the payment of the tax credit by the Federal government, nor do we express any opinion regarding other federal tax consequences arising with respect to the Lease.

4. The interest component of the Lease Payments is exempt from personal income taxation imposed by the State of California.

5. The Purchase Agreement dated July 12, 2013, created on that date a binding, written contract of the District under applicable California law (assuming due authorization, execution and delivery thereof by the Bank) for the sale of the Lease for purposes of Section 54A(b)(3) of the Tax Code.

The rights of the owners of the Lease Payments and the enforceability of the Financing Documents and the Assignment Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained herein is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Tax Code or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein. Each taxpayer should seek advice based on that taxpayer's particular circumstances from an independent tax advisor.

Respectfully submitted,

Jones Hall,
A Professional Law Corporation