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RESOLUTION NO. 2013-13

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN RAMON VALLEY FIRE PROTECTION DISTRICT AUTHORIZING DELIVERY AND SALE OF REFUNDING CERTIFICATES OF PARTICIPATION IN THE MAXIMUM PRINCIPAL AMOUNT OF \$3,500,000 TO REFINANCE 2003 REFUNDING CERTIFICATES OF PARTICIPATION, AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, the San Ramon Valley Fire Protection District (the "District") is obligated to pay lease payments under a Second Amended and Restated Lease Agreement dated as of June 1, 2003 (the "2003 Lease Agreement"), between the SRVFPD Financing Corporation (the "Corporation") and the District, which lease payments are evidenced by 2003 Refunding Certificates of Participation (Fire Protection Facilities Refinancing) which have been executed and delivered in the aggregate original principal amount of \$9,015,000 (the "2003 Certificates"); and

WHEREAS, in order to take advantage of favorable interest rates prevailing in the municipal bond market, the District wishes at this time to provide for the refinancing its lease payment obligations under the 2003 Lease Agreement from the proceeds of 2013 Refunding Certificates of Participation to be issued in the maximum principal amount of \$3,500,000 (the "Refunding Certificates"); and

WHEREAS, the District has received an offer from JPMorgan Chase Bank, N.A. (the "Purchaser"), to purchase the Refunding Certificates upon terms and conditions which are favorable to the District and which will produce substantial savings to the District; and

WHEREAS, the Board of Directors wishes at this time to authorize and approve all proceedings for the refinancing of the District's obligations with respect to the 2003 Lease Agreement and the 2003 Certificates, the delivery and sale of the Refunding Certificates for that purpose and all related documents and actions, in furtherance of the public purposes of the District;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the San Ramon Valley Fire Protection District as follows:

Section 1. Approval of Refinancing Plan and Related Documents. The Board of Directors approves the refinancing plan outlined above. To that end, the Board of Directors approves each of the following financing documents in substantially the respective forms on file with the Secretary, together with any changes therein or additions thereto approved by the Fire Chief, provided that the execution thereof by the

President or the Fire Chief (each, an "Authorized Officer") shall be conclusive evidence of such approval:

- (a) Second Amended and Restated Site Lease between the District as lessor and the Corporation as lessee, which amends and restates the Site Lease relating to the 2003 Certificates in order to implement the refinancing plan.
- (b) Third Amended and Restated Lease Agreement between the Corporation as lessor and the District as lessee, which amends and restates the 2003 Lease Agreement in order to implement the refinancing plan.
- (c) Trust Agreement among the District, the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), under which the Trustee agrees to execute and deliver the Refunding Certificates, and which specifies the detailed terms and provisions relating to the Refunding Certificates.
- (d) Certificate Purchase Agreement among the District, the Corporation and the Purchaser, specifying the terms and conditions upon which the Certificates are to be sold to the Purchaser.
- (e) Irrevocable Refunding Instructions given by the District to U.S. Bank National Association, as trustee for the 2003 Certificates, relating to the administration of funds to refinance the 2003 Certificates.

An Authorized Officer is authorized and directed for and in the name and on behalf of the District to execute, and the Secretary is hereby authorized and directed to attest the final form of each of the foregoing documents. The schedule of lease payments attached to the Third Amended and Restated Lease Agreement shall correspond to the payments of principal and interest represented by the Refunding Certificates, to be determined upon the sale thereof as set forth in Section 2.

Section 2. Sale of Refunding Certificates. The Board of Directors hereby approves the sale of the Refunding Certificates by negotiation with the Purchaser. The Refunding Certificates shall be sold to the Purchaser under, and upon the terms and provisions set forth in, the Certificate Purchase Agreement in the form approved above.

Section 3. Official Actions. The President, the Fire Chief, the Chief Finance Officer, the Secretary and all other officers of the District are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or

appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved pursuant to this Resolution. Whenever in this resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

I hereby certify that the foregoing Resolution was passed and adopted by the Board of Directors of the San Ramon Valley Fire Protection District, at a regular meeting thereof duly held on the 21st day of November, 2013, by a majority vote of all of its members. Adopted by the following votes:

AYES: Directors Dakin, Kerr, Price, Umont and Board President Stamey
NOES: None
ABSENT: None
ABSTAIN: None

SAN RAMON VALLEY FIRE PROTECTION DISTRICT

APPROVED AS TO FORM:



William D. Ross, District Counsel

By 

Board President, Matthew J. Stamey

ATTEST:



Susan F. Brooks, District Clerk

APPROVED AS TO CONTENT:



Paige Meyer, Fire Chief

TO BE RECORDED AND WHEN RECORDED
RETURN TO:
Jones Hall, A Professional Law Corporation
650 California Street, 18th Floor
San Francisco, California 94108
Attention: Charles F. Adams, Esq.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES UNDER SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

ASSIGNMENT AND TERMINATION AGREEMENT

This ASSIGNMENT AND TERMINATION AGREEMENT (this "Agreement"), dated as of December 1, 2003, is between the SRVFPD FINANCING CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

AGREEMENT:

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

SECTION 1. *Recitals.*

(a) The San Ramon Valley Fire Protection District (the "District") has previously leased certain real property to the Corporation under a First Amended and Restated Site Lease dated as of June 1, 2003, which was recorded in the Contra Costa County Recorder's Office on June 11, 2003, as Instrument Number 2003-274205 (the "2003 Site Lease"), and the Corporation concurrently leased such real property and certain additional real property, all of which real property is more particularly described in Appendix A attached hereto and by this reference incorporated herein (the "Leased Property") back to the District under a Second Amended and Restated Lease Agreement dated as of June 1, 2003, which was recorded in the Contra Costa County Recorder's Office on June 11, 2003, as Instrument Number 2003-274206 (the "2003 Lease").

(b) The District's lease payment obligations under the 2003 Lease are evidenced by 2003 Refunding Certificates of Participation (Fire Protection Facilities Refinancing) executed and delivered in the aggregate original principal amount of \$9,015,000 (the "2003 Certificates") under a Trust Agreement dated as of June 1, 2003, among the District, the Corporation and U.S. Bank National Association, as trustee.

(c) The District has determined that it is in the best interests of the District at this time to refinance its obligations under the 2003 Lease which are represented by the 2003 Certificates, by exercising its right to prepay its lease payment obligations under the 2003 Lease and thereby prepaying the 2003 Certificates in full on February 1, 2014.

(d) In order to raise funds required for that purpose, the Corporation and the District have agreed to amend and restate the 2003 Site Lease under a Second Amended and Restated Site Lease dated as of December 1, 2013, and to amend and restate the 2003 Lease under a Third Amended and Restated Lease Agreement dated as of December 1, 2013, which has been recorded concurrently herewith (the "Lease"), and the Corporation has agreed to assign certain of its rights under the Lease to U.S. Bank National Association, as trustee (the "Trustee") under this Agreement.

(e) For the security of the 2003 Certificates, the Corporation has previously assigned certain of its rights under the 2003 Lease to U.S. Bank National Association, as trustee (the "2003 Trustee"), under an Assignment Agreement dated as of June 1, 2003, which was recorded in the Contra Costa County Recorder's Office on June 11, 2003, as Instrument Number 2003-275220 (the "2003 Assignment").

(f) U.S. Bank National Association currently acts as trustee for the 2003 Trustee, and in order to refinance the 2003 Lease Payments and the 2003 Certificates it is necessary for the Corporation and the Trustee (in its capacity as trustee for the 2003 Certificates) to terminate the 2003 Assignment.

(g) In consideration of the assignment made hereunder, the Trustee has agreed to enter into a Trust Agreement dated as of December 1, 2013, among the Trustee, the District and the Corporation, under which the Trustee agrees to execute and deliver \$3,227,000 aggregate principal amount of 2013 Refunding Certificates of Participation (the "Certificates"), each evidencing a direct, undivided fractional interest in the lease payments to be paid by the District under the Lease.

(h) Each of the parties has authority to enter into this Agreement, and has taken all actions necessary to authorize its officers to execute it.

SECTION 2. *Assignment.* The Corporation hereby transfers, assigns and sets over to the Trustee, for the benefit of the Owners of all Certificates, all of the Corporation's rights under the Lease (excepting only the Corporation's rights under Sections 4.4, 5.10, 7.3 and 8.4 of the Lease), including but not limited to:

- (a) the right to receive and collect all of the Lease Payments from the District under the Lease,
- (b) the right to receive and collect any proceeds of any insurance maintained under the Lease with respect to the Leased Property, or any eminent domain award (or proceeds of sale under threat of eminent domain) paid with respect to the Leased Property, and
- (c) the right to exercise such rights and remedies conferred on the Corporation under the Lease as may be necessary or convenient (i) to enforce payment of the Lease Payments and any other amounts

required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund established under the Trust Agreement, or (ii) otherwise to protect the interests of the Owners if the District defaults under the Lease.

The Trustee shall administer all rights assigned to it by the Corporation in accordance with the provisions of the Trust Agreement and for the benefit of the Owners of Certificates. The assignment made under this Section 2 is absolute and irrevocable, and without recourse to the Corporation.

SECTION 3. *Acceptance.* The Trustee accepts the assignments made under Section 2 for the purpose of securing the payments due under the Lease and Trust Agreement to, and the rights under the Lease and Trust Agreement of, the Owners of the Certificates which are executed, delivered and Outstanding under the Trust Agreement, all subject to the provisions of the Trust Agreement. The recitals contained herein are those of the Corporation and not of the Trustee, and the Trustee assumes no responsibility for the correctness thereof.

SECTION 4. *Conditions.* This Agreement confers no rights and imposes no duties upon the Trustee beyond those expressly provided in the Trust Agreement.

SECTION 5. *Termination of 2003 Assignment.* The Corporation and the Trustee, in its capacity as trustee for the 2003 Certificates, hereby terminate the 2003 Assignment. From and after the date of recordation of this Agreement, the 2003 Assignment shall be of no force and effect.

SECTION 6. *Execution in Counterparts.* This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original but all together constitute but one and the same agreement. It is also agreed that separate counterparts of this may be separately executed by the Trustee and the Corporation, both with the same force and effect as though the same counterpart had been executed by the Trustee and the Corporation.

SECTION 7. *Binding Effect.* This Agreement inures to the benefit of and is binding upon the Corporation and the Trustee, and their respective successors and assigns.

SECTION 8. *Governing Law.* This Agreement is governed by the Constitution and laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement by their officers thereunto duly authorized as of the day and year first written above.

SRVFPD FINANCING CORPORATION

By Paige Meyer
Paige Meyer
Executive Director

Attest:

Susan F. Brooks
Susan F. Brooks
District Clerk

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By Myrna Presto-Choroski
Myrna Presto-Choroski
Authorized Officer

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California

County of Contra Costa }

On 12-17-13 before me, _____
 Date

Susan F. Brooks
 Here Insert Name and Title of the Officer

personally appeared _____

Ridge Meyer
 Name(s) of Signer(s)

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: Susan F. Brooks
 Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Assignment + Termination agreement Document Date: 12-17-13

Number of Pages: 5 Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Ridge Meyer

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: _____

Signer Is Representing: _____

ACKNOWLEDGMENT

State of California
County of San Francisco)

On December 12th, 2013 before me, Nam Huynh - Notary Public
(insert name and title of the officer)

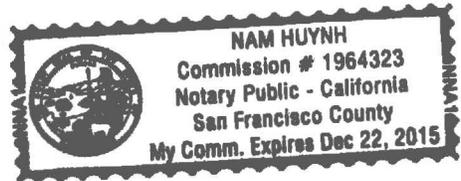
personally appeared Myrna Presto-Choroski,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their 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)



APPENDIX A

DESCRIPTION OF THE LEASED PROPERTY

The real property constituting the Leased Property consists of that certain land located in the cities of Danville and San Ramon, County of Contra Costa, State of California, more particularly described as follows, together with all buildings, facilities and other improvements located on such land as of the Closing Date.

Parcel B, as shown on that certain Record of Survey recorded November 27, 1974, in Book 58 at Page 5, Contra Costa County Records.

APN: 207-012-006

\$3,227,000
2013 REFUNDING CERTIFICATES OF PARTICIPATION
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
SAN RAMON VALLEY FIRE PROTECTION DISTRICT
To the SRVFPD Financing Corporation

CERTIFICATE PURCHASE AGREEMENT

December 11, 2013

Board of Directors
San Ramon Valley Fire Protection District
1500 Bollinger Canyon Road
San Ramon, California 94583

Ladies and Gentlemen:

The undersigned, J.P. Morgan Chase Bank, N.A., (the "Purchaser"), hereby offers to enter into this Certificate Purchase Agreement (this "Purchase Agreement") with the San Ramon Valley Fire Protection District (the "District") for the purchase of the \$3,227,000 aggregate principal amount of San Ramon Valley Fire Protection District 2013 Refunding Certificates of Participation (the "Certificates"). Upon acceptance of this offer by the District, this Purchase Agreement will be binding upon the District and the Purchaser. The offer made hereby is made subject to acceptance by the District (by delivery to the Purchaser of an executed counterpart hereof by the District) at or before 11:59 p.m., California time, on the date hereof or at such later time and date as shall have been consented to by the Purchaser.

1. **Purchase and Sale of the Certificates.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the District agrees to cause the Trustee to execute and deliver to the Purchaser, and the Purchaser agrees to purchase, all (but not less than all) of the Certificates at an aggregate purchase price of \$3,227,000.00 (representing the aggregate principal amount of the Certificates).

The Certificates are issued under the provisions of Resolution No. 2013-13 adopted by the Board of Directors of the District on November 21, 2013 (the "District Resolution"), and Resolution No. 2013-01 adopted by the Board of Directors of the San Ramon Valley Fire Protection District Financing Corporation (the "Corporation") on November 21, 2013 (the "Corporation Resolution" and together with the District Resolution, the "Certificate Resolutions").

The Certificates shall be dated the date of their delivery, shall mature on August 1, 2018, and shall bear interest at the rate of 1.40% per annum. The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of December 1, 2013 (the "Trust Agreement"), among the District, the SRVFPD Financing Corporation (the "Corporation") and U.S. Bank National Association, as trustee (the "Trustee"). All terms used herein and not otherwise defined herein shall have the respective meanings assigned thereto in the Trust Agreement.

The District and the Purchaser acknowledge and agree that (i) the purchase and sale of the Certificates pursuant to this Purchase Agreement is an arm's-length commercial transaction

between the District and the Purchaser, (ii) in connection with such transaction, the Purchaser is and has been acting solely as a principal and not as an agent or a fiduciary of the District, (iii) the Purchaser has not assumed (individually or collectively) a fiduciary responsibility in favor of the District with respect to (a) the placement of the Certificates or the process leading thereto (whether or not the Purchaser or any affiliate of the Purchaser has advised or is currently advising the District on other matters) or (b) any other obligation to the District except the obligations expressly set forth in this Purchase Agreement and (iv) the District has consulted with its own legal, financial and other professional advisors to the extent it deemed appropriate in connection with the placement of the Certificates.

2. The Certificates. The Certificates shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Trust Agreement. The Certificates shall be in fully registered form, registered in the name of the Purchaser. The Certificates shall be subject to optional and mandatory sinking fund redemption upon the terms and conditions set forth in the Trust Agreement.

The proceeds of the Certificates, together with other available funds, will be used to refinance outstanding obligations of the District.

3. Use of Documents. The District hereby further authorizes the Purchaser to use, in connection with the offer and sale of Certificates, copies of this Purchase Agreement, the Trust Agreement, the Second Amended and Restated Site Lease dated as of December 1, 2013, between the District, as lessor, and the Corporation, as lessee, the Third Amended and Restated Lease Agreement dated as of December 1, 2013, between the Corporation, as sub-lessor, and the District, as sub-lessee, and the Assignment and Termination Agreement dated as of December 1, 2013, between the Corporation and the Trustee (collectively, the "Certificate Documents"), as well as the Certificate Resolutions.

4. Closing. At 8:00 a.m., California Time, on December 19, 2013 or at such other time or on such other date as shall have been mutually agreed upon by the District and the Purchaser (such payment and delivery herein called the "Closing," and the date thereof the "Closing Date"), the District will deliver to the Purchaser, a single fully-registered Certificate, duly executed and registered in the name of the Purchaser. Concurrently with the delivery of the executed Certificate to the Purchaser, there shall be delivered at the offices of Jones Hall, A Professional Law Corporation, in San Francisco, California ("Bond Counsel"), the other documents hereinafter mentioned, and the Purchaser will accept such delivery and pay the purchase price thereof set forth in Section 1 in immediately available funds by check, draft or wire transfer to or upon the order of the District.

5. Representations, Warranties and Agreements of the District. The District hereby represents, warrants and agrees with the Purchaser that:

- (a) Due Organization. The District is and will be on the Closing Date a fire protection district duly organized and validly existing under the laws of the State of California, with the power to issue the Certificates pursuant to the laws of the State of California, to adopt the District Resolution and to enter into this Purchase Agreement and the other Certificate Documents to which it is a party.
- (b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of

the Certificates; (ii) the District has full legal right, power and authority to adopt the District Resolution, to enter into this Purchase Agreement and the other Certificate Documents to which it is a party, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Agreement and the other Certificate Documents to which it is a party; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Certificates, the District Resolution, this Purchase Agreement, and the other Certificate Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes a valid and legally binding obligation of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement.

- (c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Certificates or the Certificate Documents, or the consummation of the other transactions effected or contemplated hereby or thereby. The District gives no representation or warranty with regard to compliance with Blue Sky or similar securities requirements.
- (d) Tax Covenants. The District covenants that it will take any and all actions and will cause any and all actions to be taken in order to ensure compliance with the provisions contained in the tax certificate described in Section 6(d)(10).
- (e) Internal Revenue Code. The District has complied with the Internal Revenue Code of 1986, as amended (the "Tax Code"), with respect to the Certificates, and the District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax of the interest on the Certificates.
- (f) Bank Qualified. The Certificates are eligible for designation as "qualified tax-exempt obligations" under Section 265(b)(3) of the Tax Code.
- (g) No Conflicts. To the best knowledge of the District, the issuance of the Certificates, and the execution, delivery and performance of this Purchase Agreement, the other Certificate Documents, the District Resolution and the Certificates, and the compliance with the provisions hereof and thereof, do not conflict with or constitute on the part of the District a violation of or material default under the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.
- (h) Litigation. As of the time of acceptance hereof no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District,

threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the title of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Certificates or the execution of any of the Certificate Documents, the application of the proceeds of the sale of the Certificates or in any way contesting or affecting the validity or enforceability of the Certificates, this Purchase Agreement or the other Certificate Documents, or contesting the powers of the District or the District Resolution or this Purchase Agreement or the other Certificate Documents; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement or the other Certificate Documents, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid with respect to the Certificates from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

- (i) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Purchaser, the District will not have issued any bonds, notes or other obligations for borrowed money.
- (j) Certificates. Except as specifically provided, any certificates signed by any officer of the District and delivered to the Purchaser shall be deemed a representation and warranty by the District to the Purchaser, but not by the person signing the same, as to the statements made therein.
- (k) Financial Information. The District shall provide the Purchaser with audited annual financial statements, free of significant deficiencies or material weakness, and prepared by an independent certified public accountant, within 270 days of the close of its fiscal year. Additionally, the District shall provide the Purchaser with a copy of its annual budgets, as adopted or amended, within 30 days of adoption or amendment. At the written request of the Purchaser, the District shall provide such other financial information and reports to the Purchaser from time as shall be reasonably requested by the Purchaser.
- (l) No Financial Advisory Relationship. The District has had no financial advisory relationship with the Purchaser with respect to the Certificates, nor with any investment firm controlling, controlled by or under common control with the Purchaser.
- (m) Purchaser Not Fiduciary. Inasmuch as this purchase and sale represents a negotiated transaction, the District understands, and hereby confirms, that the Purchaser is not acting as a fiduciary of the District, but rather is acting solely in its capacity as Purchaser, for its own account.
- (n) No Sovereign Immunity. The District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under the District Resolution, the Certificate Documents or otherwise with respect to the Certificates. To the extent the District has or hereafter may acquire

under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the District hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to the District Resolution, the Certificate Documents or otherwise with respect to the Certificates.

6. Conditions to the Obligations of the Purchaser. The obligation of the Purchaser to accept delivery of and pay for the Certificates on the Closing Date shall be subject, at the option of the Purchaser, to the accuracy in all material respects of the representations, warranties and agreements on the part of the District contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the District, the Corporation and the Trustee made in any certificates or other documents furnished pursuant to the provisions hereof or the Certificate Documents, and to the performance by the District, the Corporation and the Trustee of their respective obligations to be performed hereunder and under the Certificate Documents at or prior to the Closing Date, and to the following additional conditions:

- (a) From the time of the execution and delivery of this Purchase Agreement to the Closing Date, there shall not have been any (i) material adverse change in the financial condition or general affairs of the District; (ii) event, court decision, proposed law or rule that may have the effect of changing the federal income tax incidents of the Certificates or the contemplated transactions; (iii) international or national crisis, suspension of stock exchange trading or banking moratorium materially affecting, in the Purchaser's opinion, the value of the Certificates to the Purchaser; or (iv) a statement released by any rating agency regarding a downgrading, suspension or withdrawal of any rating on any bonds of the District which, in the reasonable opinion of the Purchaser, materially and adversely affects the value of the Certificates to the Purchaser.
- (b) At the Closing Date, the Certificates and the Certificate Documents shall have been duly authorized, executed and delivered by the respective parties thereto, all in substantially the forms heretofore submitted to the Purchaser, with only such changes as shall have been agreed to in writing by the Purchaser, and said documents shall not have been amended, modified or supplemented, except as may have been agreed to by the Purchaser in writing, and there shall have been taken in connection therewith, with the execution and delivery of the Certificates and with the transactions contemplated thereby and by this Purchase Agreement, all such actions as Jones Hall, a Professional Law Corporation, Bond Counsel, shall deem to be necessary and appropriate.
- (c) The representations and warranties of the District contained in this Purchase Agreement shall be true, correct and complete in all material respects on the date hereof and on the Closing Date, as if made again on the Closing Date.
- (d) At or prior to the Closing Date, the Purchaser shall have received the following documents, in each case satisfactory in form and substance to the Purchaser:

- (1) each Certificate Document, duly executed and delivered by the respective parties thereto, with such amendments, modifications or supplements as may have been agreed to by the Purchaser;
- (2) an unqualified approving opinion, dated the Closing Date and addressed to the District and the Purchaser, in form and substance acceptable to the District and the Purchaser, of Jones Hall, a Professional Law Corporation, Bond Counsel, with respect to the due authorization, execution and delivery of the Certificates and the Certificate Documents, and with respect to the tax-exempt status of the Certificates; and
- (3) a supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Purchaser, to the effect that: (1) the Certificates are exempt from registration under the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and (2) assuming due authorization, execution and delivery by the Purchaser, this Purchase Agreement has been duly authorized, executed and delivered by the District and constitutes a legal, valid and binding agreement of the District, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles (regardless of whether such enforceability is considered in equity or at law), to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against school districts in the State of California and except that no opinion is expressed with respect to any indemnification or contribution provisions contained in this Purchase Agreement;
- (4) a certificate of the Trustee dated the Closing Date, signed by a duly authorized officer of the Trustee, to the effect that (i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the full power and being qualified to enter into and perform its duties under the Trust Agreement and the Assignment Agreement and to execute and deliver the Certificates to the Purchaser pursuant to the Trust Agreement, (ii) when delivered to and paid for by the Purchaser on the Closing Date, the Certificates will have been duly executed and delivered by the Trustee, (iii) the execution and delivery of the Trust Agreement and the Assignment Agreement and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature

whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Trust Agreement under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trust Agreement, and (iv) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental or public entity pending or, to the best knowledge of the Trustee, threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution and delivery of the Certificates, or in any way contesting or affecting the validity or enforceability of the Trust Agreement and the Assignment Agreement or contesting the powers of the Trustee to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trust Agreement or the Assignment Agreement or the ability of the Trustee to perform its obligations thereunder;

- (5) a certificate of the District, dated the Closing Date, signed by an authorized officer thereof, to the effect that (i) the Board Resolution approving the Certificates and the Certificate Documents to which the District is a party, was duly adopted at a meeting of the Board of Directors of the District which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout; (ii) the representations and warranties of the District contained in this Purchase Agreement and in the other Certificate Documents to which it is a party are true and correct in all material respects as of the Closing Date as if made on the Closing Date, (iii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental or public entity pending or, to the best knowledge of the District, after investigation, threatened against the District which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Certificates or the Certificate Documents, or contesting the validity of the Certificates or any of the Certificate Documents to which the District is party or the powers of the District to enter into or perform its obligations under the Certificate Documents to which it is a party or the existence or powers of the District, or which, if determined adversely to the District, would materially impair the District's ability to meet its obligations under the Lease Agreement or materially and adversely affect the District's financial condition;
- (6) a certificate of the Corporation, dated the Closing Date, signed by an authorized officer thereof, to the effect that (i) the Corporation is a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California, (ii) the Board Resolution approving the Certificates and the Certificate Documents to which the Corporation is a party, was duly adopted at a meeting of the Board of Directors of the Corporation which was called and held pursuant to law and with all public notice required by law and at which a quorum

was present and acting throughout; (iii) the Corporation has all necessary power and has taken all official actions necessary to execute, deliver and perform its duties under each of the Certificate Documents to which it is a party, and each of the Certificate Documents to which the Corporation is a party has been duly authorized, executed and delivered by the Corporation and, assuming the due authorization, execution and delivery by the other respective parties thereto, will constitute legally valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or principles of equity involving judicial discretion, (iv) the Corporation is not in material breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States of America material to the conduct of its functions or any applicable judgment or decree or any loan agreement, indenture, bond, certificate, note, resolution or other agreement or instrument to which the Corporation is a party or to which the Corporation or any of its properties is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any of the foregoing; and the authorization, execution and delivery of the Certificate Documents to which the Corporation is a party, and compliance with the provisions thereof, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative rule or regulation, or any judgment, decree, license, permit, loan agreement, indenture, bond, certificate, note, resolution, agreement or other instrument to which the Corporation (or any of its officers in their respective capacities as such) is subject or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument except as may be provided by the Certificate Documents, (v) there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory entity having jurisdiction over the Corporation required for the execution and delivery of the Certificate Documents to which the Corporation is a party, or the consummation by the Corporation of the transactions contemplated in the Certificate Documents, which has not been duly obtained or made on or prior to the date hereof, and (vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental or public entity pending or, to the best knowledge of the Corporation, threatened against the Corporation which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Certificates or any of the Certificate Documents, or contesting the validity of the Certificates or any of the Certificate Documents or the powers of the Corporation to enter into or perform

its obligations under the Certificate Documents to which it is a party or the existence or powers of the Corporation;

- (7) a certified copy of the Certificate Resolutions;
- (8) a certified copy of the general resolution of the Trustee authorizing the execution and delivery of the Certificate Documents to which the Trustee is a party;
- (9) a CLTA Owner's Leasehold Title Policy issued by Stewart Title, in the principal amount of the Certificates, insuring the Trustee as to the leasehold estate created under the Lease Agreement;
- (10) a tax certificate of the District in form and substance acceptable to Bond Counsel;
- (11) with respect to the Corporation, the Articles of Incorporation and a Good Standing Certificate issued by the California Secretary of State;
- (12) a form of Wire Transfer Outgoing Request signed by an authorized signatory of the District; and
- (13) such additional legal opinions, certificates, proceedings, instruments and other documents as the Purchaser or Bond Counsel may reasonably request to evidence compliance by the Trustee, the Corporation and the District with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the Trustee, the Corporation and the District, and the due performance or satisfaction by the Trustee, the Corporation and the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Trustee, the Corporation and the District.

If the District is unable to satisfy the conditions to the Purchaser's obligations contained in this Purchase Agreement or if the Purchaser's obligations shall be terminated for any reason permitted herein, all obligations of the Purchaser hereunder may be terminated by the Purchaser at, or at any time prior to, the Closing Date by written notice to the District and neither the Purchaser nor the Corporation shall have any further obligations hereunder.

7. Costs and Expenses. The District shall pay any expenses incident to the issuance of the Certificates, including but not limited to the following: (i) the fees and disbursements of Brandis Tallman LLC, as placement agent; (ii) the fees and disbursements of Bond Counsel; (iii) the fees and disbursements of Purchaser Counsel; (iv) the cost of the preparation, printing and delivery of the Certificates; (v) the initial fees of the Trustee; and (vi) all other fees and expenses incident to the issuance and sale of the Certificates. Such expenses shall be paid from the proceeds of the Certificates or any other lawfully available funds.

All out-of-pocket expenses of the Purchaser, including but not limited to California Debt and Investment Advisory Commission fees (if any), travel and costs and expenses of Purchaser's counsel, shall be paid by the Purchaser.

8. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the Fire Chief (or the Fire Chief's designee), at the address set forth on page 1 hereof, or if to the Purchaser as follows: J.P. Morgan Chase Bank, 4600 Dublin Boulevard, Dublin, California 94568, Attention: Stuart J. Bessières.

9. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the District and the Purchaser. This Purchase Agreement is made solely for the benefit of the District and the Purchaser (including the successors or assigns of the Purchaser). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the District in this Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Purchaser, (b) delivery of and payment by the Purchaser for the Certificates hereunder, and (c) any termination of this Purchase Agreement.

10. **Severability.** In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

11. **Non-assignment.** Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior written consent of the other party hereto.

12. **Entire Agreement.** This Purchase Agreement, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto (including their permitted successors and assigns, respectively).

13. **Execution in Counterparts.** This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

14. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in the State of California.

Very truly yours,

JPMORGAN CHASE BANK, N.A.,
as Purchaser

By:  _____
Authorized Officer

The foregoing is hereby agreed to and accepted as of the date first above written:

**SAN RAMON VALLEY FIRE PROTECTION
DISTRICT**

By: _____
Authorized Officer

14. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in the State of California.

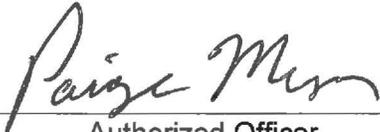
Very truly yours,

JPMORGAN CHASE BANK, N.A.,
as Purchaser

By: _____
Authorized Officer

The foregoing is hereby agreed to and accepted as of the date first above written:

**SAN RAMON VALLEY FIRE PROTECTION
DISTRICT**

By:  _____
Authorized Officer

No. R - 1

\$3,227,000

2013 REFUNDING CERTIFICATES OF PARTICIPATION

**Evidencing The Direct, Undivided Fractional Interests Of The Owners Thereof
In Lease Payments To Be Made By The**

SAN RAMON VALLEY FIRE PROTECTION DISTRICT

**As Rental For Certain Leased Property
Under a Third Amended And Restated Lease Agreement with the**

SRVFPD FINANCING CORPORATION

RATE OF INTEREST:
1.400%

MATURITY DATE:
August 1, 2018

DATED DATE:
December 19, 2013

REGISTERED OWNER: JPMORGAN CHASE BANK, N.A.

PRINCIPAL AMOUNT: THREE MILLION TWO HUNDRED TWENTY-SEVEN THOUSAND DOLLARS

THIS IS TO CERTIFY THAT the Registered Owner identified above, or registered assigns, as the registered owner (the "Registered Owner") of this Certificate of Participation (this "Certificate") is the owner of a direct, undivided fractional interest in lease payments (the "Lease Payments") payable under the Third Amended and Restated Lease Agreement dated as of December 1, 2013 (the "Lease"), between the SRVFPD Financing Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation") and the San Ramon Valley Fire Protection District, a fire protection district duly organized and existing under the laws of the State of California (the "District"), which Lease Payments and certain other rights and interests under the Lease have been assigned to U.S. Bank National Association, as trustee (the "Trustee"), having a corporate trust office in San Francisco, California (the "Office").

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Lease, on the Maturity Date identified above, or any earlier prepayment date, the Principal Amount identified above representing a direct, undivided fractional share of the portion of the Lease Payments designated as principal, and to receive on August 1, 2014, and semiannually thereafter on February 1 and August 1 of each year (the "Interest Payment Dates") until payment in full of said principal, the Registered Owner's direct, undivided fractional share of the Lease Payments designated as interest coming due during the period immediately preceding each of the Interest Payment Dates.

Interest represented hereby is payable from the Interest Payment Date next preceding the date of execution of this Certificate unless (a) this Certificate is executed on an Interest Payment Date, in which event interest is payable from such Interest Payment Date, or (b)

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unless this Certificate is executed on or before July 15, 2014, in which event interest is payable from the Dated Date identified above. The Registered Owner's share of the portion of the Lease Payments designated as interest is the result of the multiplication of the aforesaid share of the portion of the Lease Payments designated as principal by the Rate of Interest per annum identified above, calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal represented hereby is payable in lawful money of the United States of America, upon presentation and surrender hereof at the Office of the Trustee, and interest represented hereby is payable by check mailed by first class mail by the Trustee on each Interest Payment Date to the Registered Owner at such Owner's address as it appears on the registration books of the Trustee as of the close of business on the 15th calendar day of the month immediately preceding such Interest Payment Date.

This Certificate has been executed and delivered by the Trustee under the terms of a Trust Agreement among the Trustee, the Corporation and the District, dated as of December 1, 2013 (the "Trust Agreement"). The District has certified that it is authorized to enter into the Lease and the Trust Agreement under the laws of the State of California, for the purpose of leasing certain real property used for the fire protection purposes of the District (the "Leased Property"). Reference is hereby made to the Lease and the Trust Agreement (copies of which are on file at the Office of the Trustee) for a description of the terms on which the Certificates are delivered, the rights thereunder of the owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the District under the Lease, to all of the provisions of the Lease and the Trust Agreement the Registered Owner of this Certificate, by acceptance hereof, assents and agrees.

The District is obligated under the Lease to pay the Lease Payments for the Leased Property from any source of available funds, subject to certain exceptions as set forth in the Lease. As more fully described in the Lease, the Lease Payments are subject to abatement during any period in which by reason of damage or destruction to the Leased Property in whole or in part, or by reason of eminent domain proceedings with respect to the Leased Property in whole or in part, there is substantial interference with the use and occupancy by the District of the Leased Property or any portion thereof; such abatement will be in an amount agreed upon by the District and the Corporation such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining portions of the Leased Property. The obligation of the District to pay the Lease Payments does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The obligation of the District to pay the Lease Payments does not constitute a debt of the District, the State of California or any of its political subdivisions, and does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Notwithstanding anything herein or in the Trust Agreement to the contrary, so long as this Certificate is owned by JPMorgan Chase Bank, N.A., (the "Original Purchaser"), all amounts payable to the Original Purchaser with respect to this Certificate shall be made by the District to the Original Purchaser, unless the Original Purchaser otherwise provides written direction to the Trustee and the District (without any presentment thereof, except upon the payment of the final installment of principal, and without any notation of such payment being made thereon), in such manner or at such address in the United States as may be designated by the Original Purchaser in writing to the Trustee (the "Bank Direct Payment Period"). During any Bank Direct Payment Period, (i) any payment made shall be accompanied by sufficient information to identify the source and proper application of such payment, (ii) the Original Purchaser shall notify the Trustee in writing of any failure of the District to make any payment of the principal of or interest

on this Certificate when due, and the Trustee shall not be deemed to have any notice of such failure unless it has received such notice in writing, and (iii) if this Certificate is sold or transferred, the Original Purchaser shall notify the Trustee and the District in writing of the name and address of the transferee, the effective date of the transfer, the principal amount of this Certificate transferred and the payment information notated on this Certificate as hereinafter described, and it will, prior to delivery hereof, make a notation hereon of the date to which interest has been paid thereon and of the amount of any prepayment made on account of the principal thereof. Furthermore, to the extent that the District has made the required payments to the Original Purchaser during any Bank Direct Payment Period, the Trustee shall have no obligations to make payments of the principal of or interest on this Certificate, to act as registrar or to take any other action in respect thereof, except at the express written direction of the Original Purchaser or the District.

The Certificates are subject to optional prepayment on August 1, 2016, or any date thereafter, in whole or in part, at a prepayment price equal to 100% of the principal amount thereof together with accrued interest represented thereby to the prepayment date, without premium.

The Certificates are subject to prepayment in part by lot, on August 1 in each of the years as set forth in the following table, at a prepayment price equal to the principal amount thereof to be prepaid together with accrued interest thereon to the prepayment date, without premium, in the aggregate respective principal amounts and on the respective dates as follows:

Sinking Fund Prepayment Date <u>(August 1)</u>	Principal Amount <u>To Be Prepaid</u>
2014	\$ 621,000
2015	640,000
2016	646,000
2017	656,000
2018	664,000

As provided in the Trust Agreement, the Trustee must mail notice of prepayment by first class mail, postage prepaid, not less than 30 nor more than 60 days before the prepayment date, to the registered owners of the Certificates to be prepaid, but neither failure to receive such notice nor any defect in the notice so mailed affects the sufficiency of the proceedings for prepayment or the cessation of accrual of interest represented thereby. If this Certificate is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, interest represented hereby ceases to accrue from and after the date fixed for prepayment.

This Certificate is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Trust Agreement and upon surrender and cancellation of this Certificate. Upon such transfer a new Certificate or Certificates, of authorized denomination or denominations, representing the same aggregate principal amount and representing the same rate of interest, will be delivered to the transferee in exchange herefor. The District, the Corporation and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Certificate is

overdue, and the District, the Corporation and the Trustee will not be affected by any notice to the contrary.

The Trustee is not required to register the transfer or exchange of any Certificate during the period in which the Trustee is selecting Certificates for prepayment or any Certificate selected for prepayment.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the owners of a majority in aggregate principal amount of the Certificates then outstanding, and may be amended without such consent under certain circumstances; provided that no such amendment may extend the fixed maturity of any Certificate or reduce the interest or principal represented thereby, without the express consent of the owner of such Certificate.

The Trustee has no obligation or liability to the owners of the Certificate to make any payment of the interest, principal or premium (if any) represented by the Certificates, other than as provided in the Trust Agreement from the Lease Payments and amounts credited thereto received or held by the Trustee. The recitals herein are statements of the Corporation and the District and not of the Trustee. The Trustee has executed this Certificate solely in its capacity as Trustee under the Trust Agreement and not in its individual or personal capacity.

THE LEASE PAYMENTS HAVE BEEN DESIGNATED BY THE DISTRICT AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" WITHIN THE MEANING OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986.

The District has certified, recited and declared that all things, conditions and acts required by the laws of the State of California, the Lease and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of the Certificates, do exist, have happened and have been performed in due time, form and manner as required by law.

SPECIMEN

IN WITNESS WHEREOF, this Certificate has been executed and delivered by U.S. Bank National Association, as Trustee, acting pursuant to the Trust Agreement.

Execution Date: December 19, 2013

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

SPECIMEN

By _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within registered Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution (banks, stockbrokers, saving and loan associations and credit unions with membership in an approved signature medallion program) pursuant to Securities and Exchange Commission Rule 17Ad-15.

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

SPECIMEN



December 19, 2013

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

Board of Directors
San Ramon Valley Fire Protection District
1500 Bollinger Canyon Road
San Ramon, California 94526

JPMorgan Chase Bank, N.A.
4600 Dublin Boulevard
Dublin, California 94568

OPINION: \$3,227,000 aggregate principal amount of 2013 Refunding Certificates of Participation Evidencing the Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be Made by the San Ramon Valley Fire Protection District as Rental for Certain Property under a Third Amended and Restated Lease Agreement with the SRVFPD Financing Corporation

Members of the Board of Directors:

We have acted as special counsel in connection with the delivery by the San Ramon Valley Fire Protection District (the "District"), of a Second Amended and Restated Site Lease dated as of December 1, 2013 (the "Site Lease") between the District as lessor and the SRVFPD Financing Corporation (the "Corporation") as lessee, and a Third Amended and Restated Lease Agreement dated as of December 1, 2013 (the "Lease Agreement") between the Corporation as lessor and the District as lessee. Under a Trust Agreement dated as of December 1, 2013 (the "Trust Agreement") among the District, the Corporation and U.S. Bank National Association, as trustee thereunder (the "Trustee"), the Trustee has executed and delivered \$3,227,000 aggregate principal amount of 2013 Refunding Certificates of Participation (the "Certificates") evidencing the direct, undivided fractional interests of the owners thereof in lease payments to be made by the District under the Lease Agreement (the "Lease Payments") which have been assigned by the Corporation to the Trustee under an Assignment and Termination Agreement dated as of December 1, 2013 (the "Assignment Agreement"), between the Corporation and the Trustee.

We have examined the Bond Law, an executed copy of the Site Lease, the Lease Agreement, the Assignment Agreement, the Trust Agreement and such certified proceedings and other papers as we deem 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 Agreement and the Trust Agreement, 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 fire protection district duly organized and validly existing under the laws of the State of California with the full power to enter into the Site Lease, the Lease Agreement and the Trust Agreement, and to perform the agreements on its part contained therein.

2. The Site Lease, the Lease Agreement and the Trust Agreement 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 Certificates have been validly executed and delivered by the Trustee pursuant to the Trust Agreement and, by virtue of the assignment made pursuant to the Assignment Agreement, the owners of the Certificates are entitled to the benefits of the Lease Agreement.

4. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on such corporations (as defined for federal income tax purposes), such interest is required to be taken into account in determining certain income and earnings. The Lease Agreement represents "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Tax Code"), and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Tax Code), a deduction is allowed for 80 percent of that portion of such financial institutions' interest expense allocable to the portion of the Lease Payments designated as and comprising interest.

The opinions set forth in the preceding paragraph are 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 Agreement in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes and that the Lease Agreement represent "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code. The District has covenanted in the Lease Agreement and the Trust Agreement and other instruments relating to the Certificates to comply with each of such requirements. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of delivery of the Lease Agreement, or may cause the Lease Agreement to lose its status as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code. We express no opinion regarding other federal tax consequences arising with respect to the Lease Agreement and the Certificates.

SPECIMEN



Board of Directors
San Ramon Valley Fire Protection District
JPMorgan Chase Bank, N.A.
December 19, 2013
Page 3

5. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Certificates and the enforceability of the Lease Agreement and the Trust 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.

Respectfully submitted,

A Professional Law Corporation

TO BE RECORDED AND WHEN RECORDED
RETURN TO:

Jones Hall, A Professional Law Corporation
650 California Street, 18th Floor
San Francisco, California 94108
Attention: Charles F. Adams, 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.

**THIRD AMENDED AND RESTATED
LEASE AGREEMENT**

Dated as of December 1, 2013

between the

SRVFPD FINANCING CORPORATION,
as lessor

and the

SAN RAMON VALLEY FIRE PROTECTION DISTRICT,
as lessee

Relating to

\$3,227,000
2013 Refunding Certificates of Participation

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APPENDIX A DESCRIPTION OF THE LEASED PROPERTY

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THIRD AMENDED AND RESTATED LEASE AGREEMENT

This THIRD AMENDED AND RESTATED LEASE AGREEMENT (this "Lease"), dated as of December 1, 2013, is between the SRVFPD FINANCING CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), and the SAN RAMON VALLEY FIRE PROTECTION DISTRICT, a fire protection district duly organized and existing under the laws of the State of California (the "District").

BACKGROUND:

1. In order to refinance the outstanding 1993 Refunding Certificates of Participation (Fire Protection Facilities Refinancing) which were executed and delivered in the aggregate original principal amount of \$10,500,000, the District and the Corporation have previously entered into a First Amended and Restated Site Lease dated as of June 1, 2003, and recorded June 11, 2003 as instrument no. 2003-0274205-00 (the "2003 Site Lease"), and a Second Amended and Restated Lease Agreement dated as of June 1, 2003, and recorded June 11, 2003 as instrument no. 2003-0274206-00 (the "2003 Lease Agreement"), with respect to certain real property.

2. The lease payment obligations of the District under the 2003 Lease Agreement are evidenced by 2003 Refunding Certificates of Participation (Fire Protection Facilities Refinancing) executed and delivered in the aggregate original principal amount of \$9,015,000 (the "2003 Certificates") under a Trust Agreement dated as of June 1, 2003, among the District, the Corporation and U.S. Bank National Association, as trustee, as evidenced by an Assignment and Termination Agreement dated as of June 1, 2003, and recorded June 12, 2003 as instrument no. 2003-0275220-00.

3. The District has determined that it is in the best interests of the District at this time to refinance its obligations under the 2003 Lease Agreement which are represented by the 2003 Certificates, by exercising its right to prepay its lease payment obligations under the 2003 Lease Agreement and thereby prepaying the 2003 Certificates in full on February 1, 2014.

4. In order to raise funds required for that purpose, the Corporation and the District have agreed to amend and restate the 2003 Site Lease under a Second Amended and Restated Site Lease dated as of December 1, 2013 (the "Site Lease"), which has been recorded concurrently herewith, and to amend and restate the 2003 Lease Agreement as provided herein, and the Corporation has assigned certain of its rights under the Site Lease to U.S. Bank National Association, as trustee (the "Trustee") under an Assignment and Termination Agreement dated as of December 1, 2013, which has been recorded concurrently herewith.

5. The District and the Corporation have agreed to terminate the 2003 Site Lease and the 2003 Lease Agreement with respect to all of the property which was originally leased thereunder, other than the real property described in Appendix A attached hereto and by this reference incorporated herein (the "Leased Property"), which

shall continue to be leased by the District to the Corporation under the Site Lease and by the Corporation to the District hereunder.

6. In consideration of such assignment the Trustee has agreed to enter into a Trust Agreement dated as of December 1, 2013, under which the Trustee agrees to execute and deliver \$3,227,000 aggregate principal amount of 2013 Refunding Certificates of Participation, each evidencing a direct, undivided fractional interest in the lease payments to be paid by the District under this Lease, the proceeds of which will be used to pay and prepay the District's lease payment obligations under the 2003 Lease Agreement and thereby pay and prepay all of the outstanding 2003 Certificates on February 1, 2014, as evidenced by an Assignment and Termination Agreement dated as of December 1, 2013, and recorded concurrently herewith.

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.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Lease have the respective meanings specified in the recitals hereof and in Appendix A to the Trust Agreement.

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 and the Original Purchaser as of the date of the execution and delivery of this Lease:

- (a) Due Organization and Existence. The District is a fire protection district duly organized and validly existing under 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 this Lease, the Site Lease and the Trust Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the District has duly authorized the execution and delivery of this Lease, the Site Lease and the Trust Agreement.
- (b) Due Execution. The representatives of the District executing this Lease, the Site Lease and the Trust Agreement have been fully authorized to execute the same under a resolution duly adopted by the Board of Directors of the District.
- (c) Valid, Binding and Enforceable Obligations. This Lease, the Site Lease and the Trust Agreement have been duly authorized, executed and delivered by the District and constitute the legal, valid and binding agreements of the District enforceable against the District in accordance with their respective terms.
- (d) No Conflicts. The execution and delivery of this Lease, the Site Lease and the Trust Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions 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 this Lease, the Site Lease and the Trust 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 of this Lease, the Site Lease and the Trust 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.

- (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 this Lease, the Site Lease or the Trust 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 this Lease, the Site Lease or the Trust Agreement or the financial conditions, assets, properties or operations of the District.

SECTION 2.2. *Covenants, Representations and Warranties of the Corporation.* The Corporation makes the following covenants, representations and warranties to the District and the Original Purchaser 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 this Lease, the Site Lease, the Trust Agreement 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 this Lease, the Site Lease, the Trust Agreement and the Assignment Agreement.

- (b) Due Execution. The representatives of the Corporation executing this Lease, the Site Lease, the Trust Agreement and the Assignment Agreement are fully authorized to execute the same under official action taken by the governing body of the Corporation.

- (c) Valid, Binding and Enforceable Obligations. This Lease, the Site Lease, the Trust Agreement 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 this Lease, the Site Lease, the Trust 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, 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 this Lease, the Site Lease, the Trust Agreement and 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 of this Lease, the Site Lease, the Trust 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.
- (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 this Lease, the Site Lease, the Trust 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 this Lease, the Site Lease, the Trust Agreement or the Assignment Agreement or the financial conditions, assets, properties or operations of the Corporation.

ARTICLE III

DEPOSIT AND APPLICATION OF FUNDS; SUBSTITUTION AND RELEASE OF PROPERTY

SECTION 3.1. *Deposit of Moneys.* On the Closing Date, the Corporation will cause the proceeds of sale of the Certificates to be deposited with the Trustee. The Trustee shall deposit such proceeds in accordance with Section 4.01 of the Trust Agreement.

SECTION 3.2. *Refunding of Prior Lease Obligations.* The Corporation covenants that a portion of the proceeds of the Certificates will be applied for the purpose of discharging in full all of the District's obligations under the 2003 Lease Agreement and thereby refunding and discharging the 2003 Certificates.

SECTION 3.3. *Substitution of Property.* The District has, and is hereby granted, the option at any time and from time to time to substitute other real property (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 Original Purchaser has given its prior written consent to such substitution.
- (b) No Event of Default has occurred and is continuing.
- (c) The District has filed with the Corporation and the Trustee, and caused to be recorded in the office of the Contra Costa County Recorder sufficient memorialization of, an amendment hereof which adds to Appendix A hereto a description of the Substitute Property and deletes therefrom the description of the Former Property.
- (d) The District has obtained a CLTA policy of title insurance insuring the interest of the owner thereof and the District's leasehold estate hereunder in the Substitute Property, subject only to Permitted Encumbrances, in an amount at least equal to the estimated fair market value thereof.
- (e) The District has certified in writing to the Corporation and the Trustee that the Substitute Property serves the fire protection purposes of the District and constitutes property which the District is permitted to lease under the laws of the State of California, and has been determined to be essential to the proper, efficient and economic operation of the District and to serve an essential governmental function of the District.

- (f) The Substitute Property does not cause the District to violate any of its covenants, representations and warranties made herein or in the Trust Agreement.
- (g) The District has certified in writing to the Corporation and the Trustee that the fair market value and the fair rental value of the Substitute Property are at least equal to the fair market value and the fair rental value, respectively, of the Former Property, and that the useful life of the Substitute Property at least equals the lesser of (i) the useful life of the Former Property, or (ii) the final Lease Payment Date of the Lease Payments allocable thereto.

Upon the satisfaction of all such conditions precedent, the Term of this Lease will thereupon end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property will apply with full force and effect to the Substitute Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such substitution. The Corporation and the District shall execute, deliver and cause to be recorded all documents required to discharge this Lease of record against the Former Property.

SECTION 3.4. *Release of Property.* The District has the option at any time and from time to time to release any portion of the Leased Property from this Lease and the Site 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 Original Purchaser has given its prior written consent to such release.
- (b) No Event of Default has occurred and is continuing.
- (c) The District has filed with the Corporation and the Trustee, 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 and the Site Lease.
- (d) The District has certified in writing to the Corporation and the Trustee that the fair market value of the property which remains subject to this Lease and the Site Lease following such removal is at least equal to the aggregate original principal amount of the Certificates, and the fair rental value of the property which remains subject to this Lease and the Site Lease following such removal is at least equal to the Lease Payments thereafter coming due and payable hereunder.

Upon 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 this Lease and the Site Lease of record against the Released Property.

ARTICLE IV

LEASE OF LEASED PROPERTY; LEASE PAYMENTS

SECTION 4.1. *Lease of Leased Property.* This Lease constitutes an amendment and restatement in full of the 2003 Lease Agreement. From and after the Closing Date, the 2003 Lease Agreement, in the form heretofore executed and delivered by the District and the Corporation, will be of no further force and effect and will be deemed to be restated in full hereby. The Corporation continues to and does hereby lease the Leased Property to the District, upon the terms and conditions set forth in this Lease, without interruption by virtue of the amendment and restatement of the 2003 Lease Agreement hereby. The 2003 Lease Agreement is hereby terminated with respect to all property leased thereunder other than the Leased Property which is described in Appendix A hereto.

SECTION 4.2. *Term.* The Term of this Lease commences on the Closing Date and ends on the date on which the Trust Agreement is discharged under Section 13.01 thereof, but under any circumstances not later than August 1, 2028. The provisions of this Section 4.2 are subject to the provisions of Section 3.3 relating to the substitution of property, the provisions of Section 3.4 relating to the release of property, and the provisions of Section 6.2 relating to the taking in eminent domain of the Leased Property or any portion thereof.

SECTION 4.3. *Lease Payments.*

(a) Obligation to Pay. Subject to the provisions of Sections 6.2 and 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 B attached hereto and by this reference incorporated herein, to be due and payable in immediately available funds on the Interest Payment Dates immediately following each of the respective Lease Payment Dates specified in Appendix B, and to be deposited by the District with the Trustee on each of the Lease Payment Dates specified in such Appendix B. Any amount held in the Lease Payment Fund on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole under Article IX and other than amounts required for payment of past due principal or interest represented by any Certificates not presented for payment) will be credited towards the Lease Payment then required to be paid; and no Lease Payment need be deposited with the Trustee on any Lease Payment Date if the amounts then held in the Lease Payment Fund are at least equal to the Lease Payment then required to be deposited with the Trustee. The Lease Payments payable in any Rental Period are for the use of the Leased Property during such Rental Period.

(b) Payments During Bank Direct Payment Period. Notwithstanding anything herein to the contrary, during the Bank Direct Payment Period the District shall pay all of the Lease Payments directly to the Original Purchaser in accordance with Section 2.05

of the Trust Agreement, such payments to be made on each of the Interest Payment Dates during the Bank Direct Payment Period.

(c) Effect of Prepayment. If the District prepays all Lease Payments in full under Section 9.2, and if the District has paid all Additional Payments then due and payable, the District's obligations under this Section will thereupon cease and terminate. If the District prepays the Lease Payments in part but not in whole under Section 9.2, the principal components of the remaining Lease Payments will be reduced in integral multiples of \$1,000 among Lease Payment Dates on a basis which corresponds to the principal maturities of the Certificates which are prepaid thereby; and the interest component of each remaining Lease Payment will be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Certificates thereby prepaid under Sections 3.01(a) of the Trust Agreement.

(d) Rate on Overdue Payments. If the District fails to make any of the payments required in this Section 4.3, 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 highest rate of interest represented by any Outstanding Certificate.

(d) Fair Rental Value. The Lease Payments and Additional Payments coming due and payable during each Rental Period constitute the total rental for the Leased Property for such Rental Period, and the District will pay the Lease Payments and Additional Payments in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Property during each Rental Period. The Corporation and the District have agreed and determined that the total Lease Payments represent the fair rental value of the Leased Property. In making that determination, consideration has been given to the estimated fair market value of the Leased Property as of the Closing Date, 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 and Additional Payments are payable from any source of available funds of the District, subject to the provisions of Sections 6.2, 6.3 and 9.1. The District shall take all actions necessary to include the Lease Payments in each of its annual budgets during the Term of this Lease and to make the necessary annual appropriations for all Lease Payments and Additional Payments. The District's covenants in this subsection (d) are intended to be duties imposed by law and it each and every public official of the District shall take such actions 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.

(f) Assignment. The District acknowledges that all Lease Payments have been assigned by the Corporation to the Trustee in trust under the Assignment Agreement, for the benefit of the Original Purchaser and the Owners of the Certificates, and the District consents to such assignment. The Corporation directs the District, and the District agrees to pay to the Trustee at its Office (or to the Original Purchaser during the Bank Direct Payment Period), all payments payable by the District under this Section 4.3 and all amounts payable by the District under Article IX.

SECTION 4.4. *Additional Payments.* In addition to the Lease Payments, the District shall pay when due, as additional rental for the Leased Property hereunder, all costs and expenses incurred by the District hereunder or under the Trust Agreement, or incurred by the Corporation to comply with the provisions of the Trust Agreement, including without limitation all Costs of Issuance (to the extent not paid from amounts on deposit in the Costs of Issuance Fund), annual compensation due to the Trustee and all of its reasonable costs and expenses (including amounts payable to the Trustee by virtue of indemnification) payable as a result of the performance of and compliance with its duties under the Trust Agreement, and all reasonable costs and expenses of attorneys, auditors, engineers and accountants engaged by the Corporation or the Trustee in connection with the Leased Property or the performance of their duties hereunder or under the Trust Agreement.

SECTION 4.5. *Quiet Enjoyment.* Throughout the Term of this Lease, the Corporation will provide the District with quiet use and enjoyment of the Leased Property and the District shall 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.

SECTION 4.6. *Title.* At all times during the Term of this Lease, the District will hold title to the Leased Property (excepting only the portion of the Leased Property the fee title to which is owned by the Corporation), subject to the Site Lease and other Permitted Encumbrances, including all additions which comprise fixtures, repairs, replacements or modifications thereto, and subject to the provisions of Section 5.2.

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 will 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 will be transferred to and vested in the District. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the District to consummate any such transfer of title.

SECTION 4.7. *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.

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. 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 also 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 notifies 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 shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation and the Trustee.

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, shall 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 shall 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.

SECTION 5.3. *Public Liability and Property Damage Insurance.* The District shall maintain or cause to be maintained, throughout the Term of this Lease, comprehensive general insurance in protection of the Corporation, the District and their respective members, officers, agents, employees and assigns. Such insurance 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 insurance shall provide coverage in such liability limits and 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 a program of self-insurance by the District, or in the form of the participation by the District in a joint powers agency insurance program or other program providing pooled insurance. The District shall apply the proceeds of such insurance toward extinguishment or satisfaction of the liability with respect to which the net proceeds are paid.

SECTION 5.4. *Casualty Insurance.* The District will procure and maintain, or cause to be procured and maintained, at all times throughout the Term of this Lease, casualty insurance against loss or damage to the insured buildings, facilities and other improvements constituting any part of the Leased Property, in an amount at least equal to the lesser of (a) the replacement value of such buildings, facilities and improvements, or (b) the aggregate principal amount of the Outstanding Certificates. Such insurance shall, as nearly as practicable, cover loss or damage by fire, explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance may be subject to such deductibles as the District deems 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 agency insurance program or other program providing pooled insurance; provided that such insurance may not be maintained by the District in the form of self-insurance. The District shall apply the Net Proceeds of such insurance as provided in Section 6.1.

SECTION 5.5. *Rental Interruption Insurance.* The District will procure and maintain, or cause to be procured and maintained, at all times throughout the Term of this Lease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the buildings, facilities and other improvements constituting any part of the Leased Property, 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 two consecutive Fiscal Years during the remaining

Term of this Lease. 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 agency program or other program providing pooled insurance; provided that such insurance may not be maintained by the District in the form of self-insurance. The Net Proceeds of such insurance, if any, shall be paid to the Trustee and deposited in the Lease Payment Fund (or shall be paid to the Original Purchaser during the Bank Direct Payment Period), and shall be credited towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

SECTION 5.6. *Recordation Hereof; Title Insurance.* The District will, at its expense, cause the Site Lease, the Assignment Agreement and this Lease to be recorded in the office of the Contra Costa County Recorder on or before the Closing Date. Concurrent with such recordation, the District shall obtain a CLTA title insurance policy insuring the District's leasehold estate in the Leased Property hereunder, in an amount at least equal to the aggregate principal amount of the Certificates. All Net Proceeds received under such title insurance policy will be deposited with the Trustee in the Lease Payment Fund (or shall be paid to the Original Purchaser during the Bank Direct Payment Period) and credited towards the prepayment of the Lease Payments under Section 9.2.

SECTION 5.7. *Insurance Net Proceeds; Form of Policies.* Each policy of insurance maintained under Sections 5.4, 5.5 and 5.6 shall name the Trustee as loss payee so as to provide that all proceeds thereunder are payable to the Trustee. The District shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease. All such policies shall provide that the Trustee is given 30 days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee is not responsible for the sufficiency, adequacy or amount of any insurance or self-insurance herein required and is fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss. Annually not later than October 1 in each year during the Term hereof, the District must furnish or cause to be furnished to the Original Purchaser and the Trustee evidence of all insurance policies required to be maintained by this Article V, which may consist of a certificate describing material terms of such policies.

SECTION 5.8. *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 will remain the sole property of the District, in which neither the Corporation nor the Trustee has any interest, and may be modified or removed by the District at any time, provided that 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 attaches to any part of the Leased Property.

SECTION 5.9. *Liens.* The District may 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

such encumbrances as the District certifies in writing to the Trustee and the Original Purchaser do not materially and adversely affect the leasehold estate in the Leased Property hereunder. Except as expressly provided in this Article, 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.

SECTION 5.10. *Advances.* If the District fails to perform any of its obligations under this Article V, the Corporation may take any necessary action to cure the failure, including the advancement of money, and the District shall repay all such advances as additional rental hereunder, with interest at the rate set forth in Section 4.3(c).

ARTICLE VI

DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

SECTION 6.1. *Application of Net Proceeds.* The Net Proceeds of any insurance award resulting from any damage to or destruction of the Leased Property by fire or other casualty shall be paid to the Trustee, as assignee of the Corporation under the Assignment Agreement, and deposited in the Insurance and Condemnation Fund to be applied as set forth in Section 6.01 of the Trust Agreement. The Net Proceeds of any eminent domain award with respect to the Leased Property resulting from any event described in Section 6.2 shall be paid by the District to the Trustee and deposited in the Insurance and Condemnation Fund to be applied as set forth in Section 6.02 of the Trust Agreement.

SECTION 6.2. *Termination or Abatement Due to Eminent Domain.* If 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, in an amount to be determined by the District (which determination must be acceptable to the Original Purchaser) such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property.

SECTION 6.3. *Abatement Due to Damage or Destruction.* The amount of Lease Payments will be abated during any period in which by reason of damage or destruction (other than by eminent domain which is hereinbefore provided for) there is substantial interference with the use and occupancy by the District of the Leased Property or any portion thereof. The amount of such abatement shall be determined by the District, which determination must be acceptable to the Original Purchaser, such that the resulting Lease Payments represent fair consideration for the use and occupancy of the

portions of the Leased Property not damaged or destroyed. Such abatement shall 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 shall 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, there shall be no abatement of Lease Payments under this Section 6.3 to the extent that the proceeds of hazard insurance, rental interruption insurance are available to pay Lease Payments which would otherwise be abated under this Section 6.3, it being hereby declared that such proceeds and amounts constitute a special fund for the payment of the Lease Payments.

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, 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 or the Trust Agreement for the existence, furnishing, functioning or District's use of the Leased Property.

SECTION 7.2. *Access to the Leased Property.* The District agrees that the Corporation and any Corporation Representative, and the Corporation's successors or assigns, may at all reasonable times enter upon and to examine and inspect the Leased Property or any part thereof. The Corporation and any Corporation Representative have such rights of access to the Leased Property or any component thereof as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the District to perform its obligations hereunder; *provided, however*, that 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 shall indemnify the Corporation, the Trustee and the Original Purchaser, and their respective officers, agents, successors and assigns against all claims, losses and damages, including legal fees and expenses, arising out of any of the following:

- (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, or
- (d) any intentional misconduct or negligence of any sublessee of the District with respect to the Leased Property.

No indemnification is made under this Section or elsewhere in this Lease for willful misconduct or negligence under this Lease by the Corporation, the Trustee or the Original Purchaser, or their respective officers, agents, employees, successors or assigns.

SECTION 7.4. Assignment and Subleasing by the District. This Lease may not be assigned by the District without the prior written consent of the Original Purchaser. With the prior written consent of the Original Purchaser, 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 must 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, the Trustee and the Original Purchaser a true and complete copy of such sublease.
- (c) No such sublease by the District may cause the Leased Property to be used for a purpose which is not authorized under the provisions of the laws of the State of California.
- (d) The District shall furnish the Corporation, the Trustee and the Original Purchaser with a written opinion of Bond Counsel stating that such sublease does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State of California.

SECTION 7.5. Amendment of Lease Agreement. The Corporation and the District may at any time amend or modify any of the provisions of this Lease, but only: (a) with the prior written consents of the Original Purchaser and the Owners of a majority in aggregate principal amount of the Outstanding Certificates; or (b) with the prior written consent of the Original Purchaser but without the consent of the Trustee or any of the Certificate Owners, but only if such amendment or modification is for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the District contained in this Lease, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the District,

- (ii) to cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, for the purpose of conforming to the original intention of the District and the Corporation,
- (iii) to amend any provision thereof relating to the Tax Code, but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest represented by any of the Certificates under the Tax Code, in the opinion of Bond Counsel,
- (iv) to amend the description of any component of the Leased Property to reflect accurately the property originally intended to be included therein, or to effectuate any substitution of property as permitted by Section 3.3 or any release of property as permitted by Section 3.4,
- (v) to obligate the District to pay additional amounts of rental hereunder for the use and occupancy of the Leased Property or any portion thereof, but only if such additional amounts of rental are pledged or assigned for the payment of any bonds, notes, leases or other obligations the proceeds of which are applied to finance improvements to the Leased Property, or
- (vi) in any other respect whatsoever as the Corporation and the District deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments do not materially adversely affect the interests of the Owners of the Certificates.

The District shall obtain and cause to be filed with the Trustee and the Original Purchaser an opinion of Bond Counsel with respect to any amendment or modification hereof, stating that all conditions precedent to such amendment as set forth in this Section 7.5 have been satisfied.

SECTION 7.6. *Limitation on Additional Obligations.* The District covenants that it will not issue any additional bonds, notes or other lease obligations which are payable from the Tax Revenues unless the amount of Tax Revenues received by the District in the most recent completed fiscal year are at least equal to 200% of the maximum amount of annual Lease Payments and debt service payments coming due in the current or any future fiscal year on all outstanding bonds, notes and lease obligations which are payable from Tax Revenues.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1. *Events of Default Defined.* Each 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.

- (b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed herein or in the Trust Agreement, other than as referred to in the preceding subsection (a), 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, the Trustee or the Original Purchaser; *provided, however,* that if the District notifies the Corporation, the Trustee and the Original Purchaser that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 30-day period, the failure will not constitute an Event of Default if the District commences to cure the failure within such 30-day period and thereafter diligently and in good faith cures such failure in a reasonable period of time.

- (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.

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. Notwithstanding anything herein or in the Trust Agreement to the contrary, there is 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 each and every one of the following remedies, subject in all respects to the limitations set forth in Section 8.3:

- (a) Enforcement of Payments Without Termination. If the Corporation does not elect to terminate this Lease in the manner hereinafter provided for in subsection (b) of this Section, the District agrees to remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and 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 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 in the County of Contra Costa for the account of and at the expense of the District, and the District hereby 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 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 subsection (b) of this Section. 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. Any rental obtained by the Corporation in excess of the unpaid Lease Payments shall be deposited with the Trustee in the Lease Payment Fund (or to the Original Purchaser during the Bank Direct Payment Period), to be applied as a credit against future Lease Payments.

- (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 on account of 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 deposited in the Lease Payment Fund or shall be paid to the Original Purchaser during the Bank Direct Payment Period. 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 has given written notice to the District of the election on the part of the Corporation to terminate this Lease. The District 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) Mandamus. If an Event of Default occurs and continues hereunder, the Corporation may take whatever action by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Lease, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it.

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 is cumulative and 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 is not 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 non-defaulting party employs attorneys or incurs 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 non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting 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 will be limited to the particular breach so waived and will not constitute a waiver of any other breach hereunder.

SECTION 8.6. *Application of Proceeds.* All net proceeds received from the release of the Leased Property under this Article VIII, and all other amounts derived by the

Corporation or the Trustee as a result of the occurrence of an Event of Default, shall be paid to the Trustee and applied in accordance with Section 12.04 of the Trust Agreement.

SECTION 8.7. *Trustee, Original Purchaser and Certificate Owners to Exercise Rights.* Such rights and remedies as are given to the Corporation under this Article VIII have been assigned by the Corporation to the Trustee under the Assignment Agreement for the benefit of the Original Purchaser and the Certificate Owners, to which assignment the District hereby consents. The Trustee, the Original Purchaser and the Certificate Owners shall exercise such rights as provided in the Trust Agreement.

ARTICLE IX

SECURITY DEPOSIT; PREPAYMENT OF LEASE PAYMENTS

SECTION 9.1. *Security Deposit.* Notwithstanding any other provision of this Lease, the District may on any date secure the payment of the Lease Payments in whole or in part by depositing with the Trustee an amount of cash which, together with other available amounts on deposit in the funds and accounts established under the Trust Agreement, is either (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Appendix B, 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 shall be addressed and delivered to the Trustee and the Original Purchaser), together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay such Lease Payments when due under Section 4.3(a), as the District instructs at the time of said deposit.

If the District posts a security deposit under this Section with respect to all unpaid Lease Payments and if the District has paid or caused to be paid all Additional Payments then due and payable, and notwithstanding the provisions of Section 4.2, (a) 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 (b) under Section 4.6, title to the Leased Property will vest in the District on the date of said deposit automatically and without further action by the District or the Corporation. Said security deposit constitutes a special fund for the payment of Lease Payments in accordance with the provisions of this Lease.

SECTION 9.2. *Optional Prepayment.* The District may exercise its option to prepay the principal components of the Lease Payments in whole, or in part in any integral multiple of \$1,000, on any date on or after August 1, 2016, by paying a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with the interest component of the Lease Payment required to be paid on such date, without prepayment premium. Such prepayment price shall be deposited by the Trustee in the Lease Payment Fund (or paid to the Original Purchaser during the Bank Direct Payment Period) to be applied to the prepayment of Certificates under Section 3.01(a) of the Trust Agreement.

ARTICLE X

MISCELLANEOUS

SECTION 10.1. *Notices.* Any notice, request, complaint, demand or other communication under this Lease may 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 is effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 72 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, the Trustee or the Original Purchaser 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 Corporation:

SRVFPD Financing Corporation
1500 Bollinger Canyon Road
San Ramon, California 94583
Attention: Executive Director
Fax: (925) 838-6629

If to the District:

San Ramon Valley Fire Protection District
1500 Bollinger Canyon Road
San Ramon, California 94583
Attention: Fire Chief
Fax: (925) 838-6629

If to the Trustee:

U.S. Bank National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Corporate Trust Services
Fax: (415) 677-3768

If to the Original Purchaser

JPMorgan Chase Bank, N.A.
4600 Dublin Blvd.
Dublin, California 94568
Attention: Stuart J. Bessieres
Fax: (925) 470-2477

SECTION 10.2. *Binding Effect.* This Lease inures to the benefit of and is binding upon the Corporation, the District, the Original Purchaser 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 does 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. *Third Party Beneficiary.* The Trustee and the Original Purchaser are each made a party beneficiary hereunder with all rights of a third party beneficiary.

SECTION 10.6. *Further Assurances and Corrective Instruments.* The Corporation and the District shall, 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 10.7. *Execution in Counterparts.* This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 10.8. *Applicable Law.* This Lease is governed by and construed in accordance with the laws of the State of California.

SECTION 10.9. *Corporation and District Representatives.* Whenever under the provisions of this Lease the approval of the Corporation or the District is required, or the Corporation or the District is required to take some action at the request of the other, such approval or such request shall be given for the Corporation by a Corporation Representative and for the District by a District Representative, and any party hereto shall be authorized to rely upon any such approval or request.

SECTION 10.10. *Captions.* 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 sections of this Lease.

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

SRVFPD FINANCING CORPORATION,
as Lessor

By Paige Meyer
Paige Meyer
Executive Director

Attest:

Susan F. Brooks
Susan F. Brooks
District Clerk

**SAN RAMON VALLEY FIRE
PROTECTION DISTRICT, as Lessee**

By Paige Meyer
Paige Meyer
Fire Chief

Attest:

Susan F. Brooks
Susan F. Brooks
District Clerk

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California

County of Contra Costa }

On 12-17-13 before me, _____
 Date

Susan F. Brooks
 Here Insert Name and Title of the Officer

personally appeared _____

Ridge Meyer
 Name(s) of Signer(s)



Place Notary Seal Above

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: _____

Susan F. Brooks
 Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Third Amended & Restated Lease Agreement
12-17-13

Number of Pages: 29

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Ridge Meyer

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: _____

Signer Is Representing: _____

APPENDIX A

DESCRIPTION OF THE LEASED PROPERTY

The real property constituting the Leased Property consists of that certain land located in the cities of Danville and San Ramon, County of Contra Costa, State of California, more particularly described as follows, together with all buildings, facilities and other improvements located on such land as of the Closing Date.

Parcel B, as shown on that certain Record of Survey recorded November 27, 1974, in Book 58 at Page 5, Contra Costa County Records.

APN: APN: 207-012-006

APPENDIX B

SCHEDULE OF LEASE PAYMENTS

<u>Lease Payment Date*</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Aggregate Lease Payment</u>
August 1, 2014	\$ 621,000	\$ 27,859.77	\$ 648,859.77
February 1, 2015		18,242.00	18,242.00
August 1, 2015	640,000	18,242.00	658,242.00
February 1, 2016		13,762.00	13,762.00
August 1, 2016	646,000	13,762.00	659,762.00
February 1, 2017		9,240.00	9,240.00
August 1, 2017	656,000	9,240.00	665,240.00
February 1, 2018		4,648.00	4,648.00
August 1, 2018	664,000	4,648.00	668,648.00

\$3,227,000
2013 REFUNDING CERTIFICATES OF PARTICIPATION
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
SAN RAMON VALLEY FIRE PROTECTION DISTRICT
As Rental for Certain Leased Property Under a
Third Amended and Restated Lease Agreement with the
SRVFPD FINANCING CORPORATION

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Third Amended and Restated Lease Agreement dated as of December 1, 2013, from the SRVFPD Financing Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), as lessor, to the San Ramon Valley Fire Protection District, a fire protection district duly organized and existing under the laws of the State of California (the "District"), as lessee, is hereby accepted by the undersigned officer on behalf of the District of San Ramon, under authority conferred by resolution of the Board of Directors of the District, adopted on November 21, 2013 and the District consents to recordation thereof by its duly authorized officer.

Dated as of December 1, 2013

SRVFPD FIRE PROTECTION DISTRICT

By: 
Paige Meyer
Fire Chief

2013-2281

TRUST AGREEMENT

Dated as of December 1, 2013

among

U.S. BANK NATIONAL ASSOCIATION,
as trustee

SRVFPD FINANCING CORPORATION

and the

SAN RAMON VALLEY FIRE PROTECTION DISTRICT

Relating to

\$3,227,000
2013 Refunding Certificates of Participation

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APPENDIX A	DEFINED TERMS
APPENDIX B	FORM OF CERTIFICATE OF PARTICIPATION

TRUST AGREEMENT

This TRUST AGREEMENT (this "Trust Agreement"), dated as of December 1, 2013, is among U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee"), the SRVFPD FINANCING CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), and the SAN RAMON VALLEY FIRE PROTECTION DISTRICT, a fire protection district duly organized and existing under the laws of the State of California (the "District").

BACKGROUND:

1. In order to refinance the outstanding 1993 Refunding Certificates of Participation (Fire Protection Facilities Refinancing) which were executed and delivered in the aggregate original principal amount of \$10,500,000, the District and the Corporation have previously entered into a First Amended and Restated Site Lease dated as of June 1, 2003 (the "2003 Site Lease"), and a Second Amended and Restated Lease Agreement dated as of June 1, 2003 (the "2003 Lease Agreement"), with respect to certain real property, including the real property which is more particularly described in Appendix A attached hereto and by this reference incorporated herein (the "Leased Property").

2. The lease payment obligations of the District under the 2003 Lease Agreement are evidenced by 2003 Refunding Certificates of Participation (Fire Protection Facilities Refinancing) executed and delivered in the aggregate original principal amount of \$9,015,000 (the "2003 Certificates") under a Trust Agreement dated as of June 1, 2003, among the District, the Corporation and U.S. Bank National Association, as trustee.

3. The District has determined that it is in the best interests of the District at this time to refinance its obligations under the 2003 Lease Agreement which are represented by the 2003 Certificates, by exercising its right to prepay its lease payment obligations under the 2003 Lease Agreement and thereby prepaying the 2003 Certificates in full on February 1, 2014.

4. In order to raise funds required for that purpose, the Corporation and the District have agreed to amend and restate the 2003 Site Lease under a Second Amended and Restated Site Lease dated as of December 1, 2013 (the "Site Lease"), and to amend and restate the 2003 Lease Agreement under a Third Amended and Restated Lease Agreement dated as of December 1, 2013 (the "Lease Agreement"), and the Corporation has assigned certain of its rights under this Site Lease to U.S. Bank National Association, as trustee (the "Trustee") under an Assignment and Termination Agreement dated as of December 1, 2013 (the "Assignment Agreement").

5. In consideration of such assignment the Trustee has agreed to enter into this Trust Agreement, under which the Trustee agrees to execute and deliver \$3,227,000 aggregate principal amount of 2013 Refunding Certificates of Participation, each evidencing a direct, undivided fractional interest in the lease payments to be paid by the

District under the Lease Agreement, the proceeds of which will be used to pay and prepay the District's lease payment obligations under the 2003 Lease Agreement and thereby pay and prepay all of the outstanding 2003 Certificates on February 1, 2014.

A G R E E M E N T :

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

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms defined in Appendix A attached to this Trust Agreement have the respective meanings specified in Appendix A when used in this Trust Agreement.

SECTION 1.02. *Authorization.* Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

SECTION 1.03. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and includes 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 Trust Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE CERTIFICATES OF PARTICIPATION

SECTION 2.01. *Authorization.* The Trustee is hereby authorized and directed upon written request from the Corporation to register, execute and deliver to the Original Purchaser, a single fully-registered Certificate in the aggregate principal amount of \$3,227,000, evidencing the direct, undivided fractional ownership interests in the Lease Payments.

SECTION 2.02. *Date.* Each Certificate shall be dated as of the date of its execution and interest represented thereby shall be payable from the Interest Payment Date next preceding the date of execution thereof, unless:

- (a) it is executed following a Record Date and on or before the next succeeding Interest Payment Date, in which event interest represented thereby will be payable from such Interest Payment Date,
- (b) unless it is executed on or before the first Record Date, in which event interest represented thereby will be payable from the Closing Date, or
- (c) if, as of the date of any Certificate, interest represented by such Certificate is in default, in which event interest represented thereby will be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to such Certificate.

SECTION 2.03. *Maturity; Interest Rate.* The Certificates shall mature in full on August 1, 2018. The Certificates shall represent interest, calculated on the basis of a 360-day year comprised of twelve 30-day months, at the rate of 1.40% per annum.

SECTION 2.04. *Fully Registered Form; Interest.* The Certificates will be delivered in the form of fully registered Certificates without coupons in the authorized denominations of \$1,000 or any integral multiple thereof, except that no Certificate shall represent principal payable in more than one year. The Trustee shall assign the Certificates such alphabetical and numerical designation as the Trustee deems appropriate.

Interest represented by the Certificates is payable on each Interest Payment Date to and including the date of maturity or prepayment, whichever is earlier, as provided in Section 2.08. Said interest represents the portion of Lease Payments designated as interest and coming due on each of the respective Interest Payment Dates. The share of the portion of Lease Payments designated as interest with respect to any Certificate will be computed by multiplying the portion of Lease Payments designated as principal represented by such Certificate by the rate of interest represented by such Certificate (on the basis of a 360-day year consisting of twelve 30-day months).

SECTION 2.05. *Provisions Relating to Original Purchaser.* Notwithstanding anything herein to the contrary, the District and the Trustee agree that all amounts payable to the Original Purchaser with respect to any Certificates held by the Original Purchaser shall be made by the District directly to the Original Purchaser, unless the Original Purchaser otherwise provides written direction to the Trustee and the District (without any presentment thereof, except upon the payment of the final installment of principal, and without any notation of such payment being made thereon), in such manner or at such address in the United States as may be designated by the Original Purchaser in writing to the Trustee (the "Bank Direct Payment Period"). During any Bank Direct Payment Period, (i) any payment made shall be accompanied by sufficient information to identify the source and proper application of such payment, (ii) the Original Purchaser shall notify the Trustee in writing of any failure of the District to make any payment of the principal of or interest on the Certificates when due, and the Trustee shall not be deemed to have any notice of such failure unless it has received such notice in writing, and (iii) if any Certificates are sold or transferred, the Original Purchaser shall notify the Trustee and the District in writing of the name and address of the transferee, the effective date of the transfer, the principal amount of the Certificates transferred and the payment information notated on the Certificates as hereinafter described, and it will, prior to delivery of such Certificates, make a notation on such Certificates of the date to which interest has been paid thereon and of the amount of any prepayments made on account of the principal thereof.

Furthermore, to the extent that the District has made the required payments to the Original Purchaser during any Bank Direct Payment Period, the Trustee shall have no obligations to make payments of the principal of or interest on the Certificates or to take any other action in respect thereof (other than to act as registrar for the Certificates in accordance with Section 2.06), except at the express written direction of the Original Purchaser or the District.

So long as Certificates are owned by the Original Purchaser, (i) the Certificates are not required to be presented and surrendered to the Trustee or the District for payment at any time prior to the final maturity thereof, and (ii) the District will pay the principal of, including sinking fund payments, and interest on Certificates by wire transfer to the Original Purchaser in accordance with wire transfer instructions provided in writing from time to time by the Original Purchaser to the Trustee:

SECTION 2.06. *Form and Execution of Certificates.* The Certificates shall be substantially in the form set forth in Appendix B attached hereto and by this reference incorporated herein. The Trustee shall execute the Certificates with the manual signature of an authorized signatory of the Trustee. If any person whose signature appears on any Certificate ceases to be an authorized signatory before the date of delivery of said Certificate, such signature will nevertheless be as effective as if such person had remained an authorized signatory until such date.

The Certificates will be initially delivered in the form of a separate single fully registered Certificate (which may be typewritten) in the aggregate principal amount of the Certificates, which shall be executed, and delivered to the Original Purchaser on the Closing Date. Upon initial delivery of Bonds to the Original Purchaser, the Trustee shall register the ownership of the Certificates on the Registration Books in the name of the Original Purchaser.

SECTION 2.07. *Transfer and Exchange.*

(a) Transfer of Certificates. The registration of any Certificate may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by duly authorized attorney, upon surrender of such Certificate for cancellation at the Office of the Trustee, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, manually executed. Whenever any Certificate or Certificates is surrendered for registration of transfer, the Trustee shall execute and deliver a new Certificate or Certificates representing the same maturity, interest rate and aggregate principal amount, in any authorized denominations. The District shall pay all costs of the Trustee incurred in connection with any such transfer, except that the Trustee may require the payment by the Certificate Owner of any tax or other governmental charge required to be paid with respect to such transfer.

(b) Exchange of Certificates. Certificates may be exchanged at the Office of the Trustee, for a like aggregate principal amount of Certificates representing other authorized denominations of the same interest rate and maturity. The District shall pay all costs of the Trustee incurred in connection with any such exchange, except that the Trustee shall require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

(c) Limitations on Transfer or Exchange. The Trustee may refuse to transfer or exchange either (i) any Certificate during the period established by the Trustee for the selection of Certificates for prepayment, or (ii) any Certificate which the Trustee has selected for prepayment in whole or in part under the provisions of Section 3.02.

SECTION 2.08. *Certificates Mutilated, Lost, Destroyed or Stolen.* If any Certificate is mutilated, the Trustee, at the expense of the Owner of such Certificate, shall execute and deliver a new Certificate of like principal amount, interest rate and maturity in replacement for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. The Trustee shall cancel and destroy every mutilated Certificate so surrendered to it and shall deliver a certificate of destruction to the District at the request of the District. If any Certificate is lost, destroyed or stolen, evidence of such loss, destruction or theft must be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and if an indemnity satisfactory to the Trustee is given, the Trustee, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like principal amount, interest rate and maturity and numbered as the Trustee shall determine in lieu of and in replacement for the Certificate so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each replacement Certificate delivered under this Section and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen is equally entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee is not required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate are treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a replacement for a Certificate which has been mutilated, lost, destroyed or

stolen, and which has matured, the Trustee may make payment with respect to such Certificate upon receipt of indemnity satisfactory to the Trustee and the District.

SECTION 2.09. *Payment.* Except as provided in Section 3.05, the Trustee will pay interest represented by any Certificate on any Interest Payment Date to the person appearing on the Registration Books as the Owner thereof as of the close of business on the Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed to such Owner, by first class mail postage prepaid, at such Owner's address as it appears on the Registration Books. At the written request of the Owner of Certificates in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee prior to the Record Date preceding any Interest Payment Date, the Trustee will pay interest represented by such Certificates coming due and payable on such Interest Payment Date by wire transfer in immediately available funds to such account in the United States as is specified in such written request. The principal and interest represented by any Certificate at maturity or upon prepayment are payable in lawful money of the United States of America upon surrender of such Certificate at the Office of the Trustee.

SECTION 2.10. *Execution of Documents and Proof of Ownership.* Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Certificates. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Certificates are sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

- (a) The fact and date of the execution by any Owner or any Owner's attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of authority.
- (b) The fact of the ownership of Certificates by any person and the amount, the maturity and the numbers of such Certificates and the date of such person's holding the same are proved by the Registration Books.

Nothing in this Section limits the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Certificate binds every

future Owner of the same Certificate in respect of anything done or suffered to be done by the Trustee under such request or consent.

SECTION 2.11. *Registration Books.* The Trustee will keep or cause to be kept sufficient records for the registration and registration of transfer of the Certificates, which shall at all reasonable times be open to inspection by the District and the Corporation upon prior notice, during regular business hours; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Certificates as hereinbefore provided.

ARTICLE III

PREPAYMENT OF CERTIFICATES

SECTION 3.01. *Prepayment.*

(a) Optional Prepayment. The Certificates are subject to optional prepayment on August 1, 2016, or any date thereafter, in whole or in part, at a prepayment price equal to 100% of the principal amount thereof together with accrued interest represented thereby to the prepayment date, without premium.

(b) Mandatory Sinking Fund Prepayment. The Certificates are subject to prepayment in part by lot, on August 1 in each of the years as set forth in the following table, at a prepayment price equal to the principal amount thereof to be prepaid together with accrued interest thereon to the prepayment date, without premium, in the aggregate respective principal amounts and on the respective dates as follows:

Sinking Fund Prepayment Date (August 1)	Principal Amount To Be Prepaid
2014	\$ 621,000
2015	640,000
2016	646,000
2017	656,000
2018	664,000

SECTION 3.02. *Selection of Certificates for Prepayment.* Whenever provision is made in this Trust Agreement for the prepayment of Certificates and less than all Outstanding Certificates of any maturity are called for prepayment, the Trustee shall select Certificates of such maturity for prepayment by lot. For the purposes of such selection, Certificates are deemed to be composed of \$1,000 portions, and any such portion may be separately prepaid. The Trustee shall promptly notify the District and the Corporation in writing of the Certificates or portions thereof so selected for prepayment.

SECTION 3.03. *Notice of Prepayment.* The Trustee on behalf and at the expense of the District will mail (by first class mail) notice of any prepayment to the respective Owners of Bonds designated for prepayment at their respective addresses appearing on the Registration Books, at least 30 but not more than 60 days prior to the date fixed for

prepayment; *provided, however*, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the prepayment of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the prepayment date, the prepayment place and the prepayment price, giving notice also that further interest on such Bonds will not accrue from and after the prepayment date. Notwithstanding the foregoing, so long as the Bonds are owned by the Original Purchaser, notice of sinking fund prepayment is not required to be given.

SECTION 3.04. *Partial Prepayment of Certificates.* Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the District, a new Certificate or Certificates of authorized denominations equal in aggregate principal amount to the unprepaid portion of the Certificate surrendered and of the same interest rate and the same maturity.

SECTION 3.05. *Effect of Notice of Prepayment.* Moneys for the prepayment (including the interest to the applicable date of prepayment) of Certificates having been set aside in the Lease Payment Fund or having been paid to the Original Purchaser during the Bank Direct Payment Period, the Certificates shall become due and payable on the date of such prepayment, and, upon presentation and surrender thereof at the Office of the Trustee, said Certificates shall be paid at the unpaid principal amount (or applicable portion thereof) represented thereby plus interest accrued and unpaid to said date of prepayment.

If, on said date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, together with interest represented thereby to said date of prepayment, shall be held by the Trustee so as to be available therefor on such date of prepayment, then, from and after said date of prepayment, interest represented by the Certificates shall cease to accrue and become payable. All moneys held by the Trustee for the prepayment of Certificates shall be held in trust for the account of the Owners of the Certificates so to be prepaid, and shall be held by the Trustee in cash uninvested.

The Trustee shall cancel all Certificates paid at maturity or prepaid prior to maturity under the provisions of this Article III upon the surrender thereof.

SECTION 3.06. *Purchase of Certificates.* In lieu of prepayment of Certificates as provided in this Article III, amounts held by the Trustee for such prepayment may, at the written request of the District Representative received by the Trustee at least 75 days prior to the selection of Certificates for prepayment, be applied by the Trustee to the purchase of Certificates at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the District may in its discretion direct, but not to exceed the prepayment price which would be payable if such Certificates were prepaid.

ARTICLE IV

DISPOSITION OF PROCEEDS OF SALE

SECTION 4.01. *Application of Proceeds.* The Trustee shall apply the proceeds received by it from the sale of the Certificates on the Closing Date as follows (provided that the Trustee may, in its discretion, establish a temporary fund or account to facilitate any of the following transfers):

- (a) The Trustee shall deposit the amount of \$62,012.85 in the Costs of Issuance Fund.
- (b) The Trustee shall transfer the amount of \$3,164,987.15, constituting the remainder of such proceeds, to the 2003 Trustee for deposit and application in accordance with the Refunding Instructions, to be held and applied for the purpose of paying and prepaying the District's lease payment obligations under the 2003 Lease and thereby paying and prepaying all of the outstanding 2003 Certificates on February 1, 2014.

SECTION 4.02. *Establishment and Application of Costs of Issuance Fund.* The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund." The Trustee shall disburse moneys in the Costs of Issuance Fund to pay the Costs of Issuance upon submission of written requisitions executed by a District Representative stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On February 1, 2014, the Trustee shall withdraw all remaining moneys in the Costs of Issuance Fund and deposit such moneys in the Lease Payment Fund (or transfer such amounts to the Original Purchaser during the Bank Direct Payment Period), to be credited towards the Lease Payments next coming due and payable, and the Trustee shall thereupon close the Costs of Issuance Fund.

ARTICLE V

LEASE PAYMENTS; LEASE PAYMENT FUND

SECTION 5.01. *Assignment of Rights in Lease.* Under the Assignment Agreement, the Corporation has assigned to the Trustee certain of its rights under the Lease, including but not limited to all of the Corporation's rights to receive and collect all of the Lease Payments and all other amounts required to be deposited in the Lease Payment Fund. The District shall pay to the Trustee all Lease Payments and other amounts which have been assigned to the Trustee under the Assignment Agreement. Any Lease Payments collected or received by the Corporation shall be deemed to be held and to have been collected or received by the Corporation as the agent of the Trustee, and the Corporation shall immediately transfer all such Lease Payments and other amounts to the Trustee. The provisions of this Section 5.01 are subject in all respects to the provisions of Section 2.05 relating to the payment by the District directly to the Original Purchaser of principal and interest represented by the Certificates when due during the Bank Direct Payment Period.

SECTION 5.02. *Establishment of Lease Payment Fund.* The Trustee shall establish a special fund designated as the "Lease Payment Fund." All moneys at any time deposited by the Trustee in the Lease Payment Fund are held by the Trustee in trust for the benefit of the District and the Owners of the Certificates. So long as any Certificates are Outstanding, neither the District nor the Corporation has any beneficial right or interest in the Lease Payment Fund, or the moneys deposited therein, except only as provided in this Trust Agreement, and the Trustee shall apply the Lease Payment Fund solely as set forth in this Trust Agreement.

Notwithstanding the foregoing provisions of this Section 5.02, during the Bank Direct Payment Period, the Trustee shall not be obligated to establish or maintain the Lease Payment Fund.

SECTION 5.03. *Deposits.* The Trustee shall deposit all Lease Payments received by it in the Lease Payment Fund, including any moneys received by the Trustee for deposit therein under Section 5.01 or under Article VI hereof, or Article IX of the Lease, and any other moneys required to be deposited therein under the Lease or under this Trust Agreement.

SECTION 5.04. *Application of Moneys.* The Trustee shall apply amounts in the Lease Payment Fund solely for the purpose of paying the principal, interest and prepayment premiums (if any) represented by the Certificates as the same become due and payable, in accordance with the provisions hereof.

SECTION 5.05. *Surplus.* Any surplus remaining in the Lease Payment Fund, after prepayment and payment of all Certificates, including premiums and accrued interest (if any) and payment of any applicable fees and expenses to the Trustee, or provision for such prepayment or payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the District.

ARTICLE VI

INSURANCE AND CONDEMNATION FUND

SECTION 6.01. *Establishment of Insurance and Condemnation Fund; Application of Net Proceeds of Insurance Award.* Any Net Proceeds of insurance collected by the District in the event of accident to or destruction of any component of the Leased Property shall be paid to the Trustee under Section 6.1 of the Lease and deposited by the Trustee promptly upon receipt thereof in a special fund designated as the "Insurance and Condemnation Fund" which the Trustee shall thereupon establish. If the District determines and notifies the Trustee in writing of its determination, within 90 days following the date of such deposit, that the replacement, repair, restoration, modification or improvement of the Leased Property is not economically feasible or in the best interests of the District, then such Net Proceeds shall be promptly transferred by the Trustee to the Lease Payment Fund and applied to the payment or prepayment of Lease Payments. Notwithstanding the foregoing provisions of this Section, the determination of the District to apply Net Proceeds to the prepayment of Certificates is subject to the following:

- (a) if the Leased Property is damaged or destroyed in full, such Net Proceeds may be transferred to the Lease Payment Fund to be used to prepay Outstanding Certificates only if such Net Proceeds, together with other available moneys, are sufficient to cause the corresponding prepayment of all Lease Payments allocable to the Leased Property; and
- (b) if the Leased Property is damaged or destroyed in part but not in whole, such Net Proceeds may be transferred to the Lease Payment Fund to be used to prepay Outstanding Certificates only if the Lease Payments which result after the corresponding abatement thereof under Section 6.3 of the Lease are sufficient to pay the full amount of principal and interest represented by the Certificates which remain Outstanding after such prepayment.

All Net Proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Lease Payment Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Leased Property by the District, upon receipt of written requisitions of the District stating with respect to each payment to be made (a) the name and address of the person, firm or corporation to whom payment is due, (b) the amount to be paid and (c) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation. Any balance of the Net Proceeds remaining after the District shall file a written certificate with the Trustee stating that such work has been completed shall, after payment of all amounts then due and owing to the Trustee hereunder, be paid to the District.

SECTION 6.02. *Deposit and Application of Net Proceeds of Eminent Domain Award.* If all or any part of the Leased Property is taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net

Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund, under Section 6.1 of the Lease, and shall be applied and disbursed by the Trustee as follows:

- (a) If the District gives written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease, and (ii) that such proceeds are not needed for repair, replacement or rehabilitation of the Leased Property, and the District has given written notice to the Trustee of such determination, the Trustee shall transfer such proceeds to the Lease Payment Fund to be credited towards the payment of the Lease Payments as they become due and payable.
- (b) If the District gives written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease, and (ii) such proceeds are needed for repair, replacement or rehabilitation of the Leased Property, the Trustee shall pay to the District, or to its order, from said proceeds such amounts as the District may expend for the repair or rehabilitation of the Leased Property, upon the filing of requisitions of the District Representative meeting the requirements of Section 6.01.
- (c) If (i) less than all of the Leased Property is taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the District gives written notice to the Trustee of its determination that such eminent domain proceedings have materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease, or (ii) all of the Leased Property is taken in such eminent domain proceedings, then the Trustee shall transfer such proceeds to the Lease Payment Fund to be credited toward the payment or prepayment of the Lease Payments.

In making any such determination whether to repair, replace or rehabilitate the Leased Property under this Section, the District may obtain, but is not required to obtain, at its expense, the report of an independent engineer or other independent professional consultant, a copy of which shall be filed with the Trustee and the Original Purchaser. Any such determination by the District is final.

ARTICLE VII

MONEYS IN FUNDS; INVESTMENTS

SECTION 7.01. *Held in Trust.* The moneys and Permitted Investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the District and the Owners of the Certificates solely for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Corporation, the Trustee, the District or the Owner of any Certificates.

SECTION 7.02. *Investments Authorized.* Upon the written request of a District Representative filed with the Trustee from time to time, moneys held by the Trustee in any fund or account hereunder shall be invested and reinvested by the Trustee in Permitted Investments which mature not later than the date such moneys are required or estimated by the District to be required to be expended hereunder. In the absence of any written request of the District directing the investment of uninvested moneys held by the Trustee hereunder, the Trustee shall invest such moneys in Permitted Investments described in clause (f) of the definition thereof. Such investments, if registrable, shall be registered in the name of the Trustee, as trustee or in the name of its nominee, and shall be held by the Trustee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment. Whenever in this Trust Agreement any moneys are required to be transferred by the District to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee is not responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Section.

The District and the Corporation acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District or the Corporation the right to receive brokerage confirmations of security transactions as they occur, the District and the Corporation will not receive such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

SECTION 7.03. *Accounting.* The Trustee shall furnish to the District, not less than monthly, an accounting (in the form customarily prepared by the Trustee) of all investments and other transactions made by the Trustee under this Trust Agreement.

SECTION 7.04. *Allocation of Earnings.* Any income, profit or loss on such investments shall be deposited in or charged to the respective funds from which such investments were made.

SECTION 7.05. *Valuation and Disposition of Investments.*

(a) Except as otherwise provided in subsection (b) of this Section, the District covenants that all investments of amounts deposited in any fund or account created by or under this Trust Agreement, or otherwise containing gross proceeds of the Certificates (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 Trust Agreement or the Tax Code) at Fair Market Value as such term is defined in subsection (d) below. The Trustee has no duty in connection with the determination of Fair Market Value other than to follow the express investment directions of the District in any written directions of a District Representative.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code shall be valued by the District at their present value (within the meaning of Section 148 of the Tax Code); provided that the District shall provide written notice to the Trustee as to which funds are subject to a yield restriction.

(c) For the purpose of determining the amount in any fund, the value of Permitted Investments credited to such fund shall be valued by the Trustee at least quarterly at the market value thereof. In making any such valuations, the Trustee may utilize and rely upon computerized securities pricing services that may be available to it, including those available through its regular accounting system. The Trustee may sell, or present for prepayment, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from any such Permitted Investment.

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

ARTICLE VIII

THE TRUSTEE

SECTION 8.01. *Appointment of Trustee.* U.S. Bank National Association is hereby appointed Trustee by the Corporation and the District for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Trust Agreement. The Corporation and the District agree that they will maintain a Trustee which (a) has a corporate trust office in the State of California, (b) has a combined capital and surplus (or whose related bank holding company has a combined capital and surplus) of at least \$50,000,000, and (c) is subject to supervision or examination by Federal or state authority, so long as any Certificates are Outstanding. If such bank or trust company publishes a report of condition at least annually under law or to the requirements of any supervising or examining authority above referred to then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The District and the Corporation covenant that they will maintain a Trustee acceptable to the Original Purchaser and qualified under the provisions of the foregoing provisions of this Section, so long as any Certificates are Outstanding.

The Trustee is hereby authorized to pay or prepay the Certificates when duly presented as provided herein for payment at maturity, or on prepayment, or on purchase by the Trustee as directed by the District prior to maturity in accordance with Section 3.06, and to cancel all Certificates upon payment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Certificates paid and discharged. The Trustee shall be compensated for its services rendered under the provisions of this Trust Agreement.

SECTION 8.02. *Acceptance of Trusts.* The Trustee hereby accepts the express trusts imposed upon it by this Trust Agreement, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

- (a) The Trustee, prior to the occurrence of an Event of Default and after curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement. In case an Event of Default has occurred (which has not been cured or waived) the Trustee may exercise such of the rights and powers vested in it by this Trust Agreement, and shall use the same degree of care and skill in their exercise, as a reasonable corporate trustee would exercise or use under the circumstances.
- (b) No provision in this Trust Agreement requires the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if repayment of such funds or adequate indemnity against such risk or liability is not in the conclusive opinion of the Trustee satisfactorily assured to it.

- (c) The Trustee is not responsible or liable for any recital herein, or in the Certificates, or for any of the supplements thereto or instruments of further assurance, or for the validity or sufficiency of the security for the Certificates executed and delivered hereunder or intended to be secured hereby and the Trustee shall not be bound at any time to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Corporation or the District under the Lease. The Trustee is not responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article VII.
- (d) The Trustee is not accountable for the use of any Certificates executed and delivered hereunder. The Trustee may become the Owner of Certificates with the same rights which it would have if not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the District with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Certificates, whether or not such committee shall represent the Owners of the majority in aggregate principal amount of the Certificates then Outstanding.
- (e) The Trustee shall be protected in acting upon any notice, request, requisition, consent, certificate, order, affidavit, letter, telegram, direction, facsimile transmission, electronic mail or other paper or document believed by the trust officer responsible for the administrative of the trusts created hereunder to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith under this Trust Agreement upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate, shall be conclusive and binding upon all future Owners of the same Certificate and upon Certificates executed and delivered in exchange therefor or in place thereof. The Trustee is not bound to recognize any person as an Owner of any Certificate or to take any action at such person's request unless such Certificate shall be deposited with the Trustee or satisfactory evidence of the ownership of such Certificate shall be furnished to the Trustee.
- (f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by a District Representative or a Corporation Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been given notice or is deemed to have notice, as provided in Section 8.02(h), shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient,

but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of a District Representative or a Corporation Representative to the effect that an authorization in the form therein set forth has been adopted by the Corporation or the District, as the case may be, as conclusive evidence that such authorization has been duly adopted, and is in full force and effect.

- (g) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee is not answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee extend to its officers, directors, employees and agents.
- (h) The Trustee is not required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the District to make any of the Lease Payments to the Trustee required to be made by the District under the Lease or failure by the Corporation or the District to file with the Trustee any document required by this Trust Agreement or the Lease to be so filed subsequent to the delivery of the Certificates, unless the Trustee shall be specifically notified in writing of such default by the Corporation, the District or the Owners of at least 25% in aggregate principal amount of Certificates then Outstanding. All notices or other instruments required by this Trust Agreement to be delivered to the Trustee must, in order to be effective, be delivered at the Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default except as aforesaid.
- (i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, have the right (but not any duty) fully to inspect the Leased Property, including all books, papers and records of the Corporation or the District pertaining to the Leased Property and the Certificates, and to take such memoranda from and with regard thereto as may be desired.
- (j) The Trustee is not required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.
- (k) Notwithstanding anything elsewhere in this Trust Agreement with respect to the execution of any Certificates, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Trust Agreement, the Trustee has the right, but is not required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, which may be deemed desirable by the

Trustee for the purpose of establishing the right of the Corporation or the District to the execution of any Certificates, the withdrawal of any cash, or the taking of any other action by the Trustee.

- (l) Before taking any action referred to in Section 12.03 at the direction of the Certificate Owners, the Trustee may require that a satisfactory indemnity bond be furnished by the Certificate Owners, or any of them, for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action.
- (m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee has no liability for interest on any moneys received hereunder except such as may be agreed upon, other than interest derived from investments made or required to be made under Section 7.02.
- (n) The Trustee is not responsible for the sufficiency of the Lease, its right to receive moneys under the Lease, or the value of or title to the Leased Property.
- (o) The Trustee is not liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Outstanding Certificates relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement.
- (p) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers and the Trustee is not responsible for any misconduct or negligence on the part of any attorney, agent, or receiver appointed with due care. The Trustee shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder and shall be protected in any action taken or suffered by it hereunder in reliance on such advice.
- (q) The Trustee is not liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.
- (r) The Trustee makes no representations with respect to any information, statement, or recital in, and shall have no liability with respect to, any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Certificates.

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

SECTION 8.03. *Fees, Charges and Expenses of Trustee.* The Trustee shall be entitled to payment and reimbursement by the District for reasonable fees for its services rendered hereunder and all advances, agent and counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee has a first lien with right of payment prior to payment on account of principal, premium, if any, and interest represented by any Certificate upon the amounts held hereunder for the foregoing fees, charges and expenses incurred by it respectively. The Trustee shall be entitled to interest on all moneys advanced by it in the performance of its duties hereunder at the maximum legal rate allowable.

SECTION 8.04. *Notice to Certificate Owners of Default.* If an Event of Default occurs of which the Trustee has been given or is deemed to have notice, as provided in Section 8.02(h), then the Trustee shall promptly give written notice thereof (a) to the Original Purchaser by telephone confirmed in writing, and (b) by first class mail, postage prepaid, to the Owner of each Outstanding Certificate, unless such Event of Default has been cured before the giving of such notice; *provided, however* that unless such Event of Default consists of the failure by the District to make any Lease Payment when due, the Trustee may elect not to give such notice to the Certificate Owners if and so long as the Trustee in good faith determines that it is in the best interests of the Certificate Owners not to give such notice.

SECTION 8.05. *Removal of Trustee.* The District may remove the Trustee at any time, unless an Event of Default has occurred and is continuing, and shall remove the Trustee (a) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of a majority in aggregate principal amount of the Certificates then Outstanding (or their attorneys duly authorized in writing) or (b) if at any time the Trustee ceases to be eligible in accordance with Section 8.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of 30 days' prior written notice of such removal by the District to the Trustee, whereupon the District shall appoint a successor Trustee in accordance with Section 8.07.

SECTION 8.06. *Resignation by Trustee.* The Trustee and any successor Trustee may at any time resign by giving written notice by registered or certified mail to the District and the Original Purchaser. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee in accordance with Section 8.07. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the District shall mail notice thereof to the Original Purchaser and to the Certificate Owners at their respective addresses set forth on the Registration Books.

SECTION 8.07. *Appointment of Successor Trustee.* If the Trustee resigns or is removed under Sections 8.05 or 8.06, respectively, with the prior written consent of the Original Purchaser the District shall promptly appoint a successor Trustee. If the District

for any reason whatsoever fails to appoint a successor Trustee within 30 days following the delivery to the Trustee of the instrument described in Section 8.05 or within 30 days following the receipt of notice by the District under Section 8.06, the Original Purchaser or the Trustee may apply to any federal or state court for the appointment of a successor Trustee meeting the requirements of Section 8.01. Any such successor Trustee appointed by such court will become the successor Trustee hereunder notwithstanding any action by the District purporting to appoint a successor Trustee following the expiration of such 30 day period.

SECTION 8.08. *Merger or Consolidation.* Any company or association into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company or association shall be eligible under Section 8.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 8.09. *Concerning any Successor Trustee.* Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Original Purchaser, the Corporation and the District an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the District, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the District be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the District. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VIII, shall be filed or recorded by the successor Trustee in each recording office where the Assignment Agreement has been filed or recorded.

SECTION 8.10. *Non-Liability of Trustee.* The recitals, statements and representations by the District and the Corporation contained in this Trust Agreement or in the Certificates shall be taken and construed as made by and on the part of the District and the Corporation, as the case may be, and not by the Trustee, and the Trustee has no responsibility, obligation or liability for the correctness of any thereof.

The Trustee makes no representation or warranty, express or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the District or the Corporation of the Leased Property. In no event shall the Trustee be liable for special or consequential damages

in connection with or arising from the Lease for the existence, furnishing or use of the Leased Property.

The Trustee is not: (a) responsible for the sufficiency or enforceability of the Lease or the assignment under the Assignment Agreement of its rights to receive Lease Payments; (b) deemed to have knowledge of any Event of Default unless and until it has received written notice thereof or, with respect to Section 8.1(a) of the Lease, has actual knowledge thereof or except as provided in Section 8.02(h); or (c) accountable for the use or application by the District or the Corporation of any funds which the Trustee has released under this Trust Agreement.

SECTION 8.11. *Actions Through Agents.* The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee is not answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trustee is not answerable for the exercise of any discretion or power under this Trust Agreement or for anything whatever in connection with the funds and accounts established hereunder, except only for its own negligence or willful misconduct.

SECTION 8.12. *Nature of Trust Engagement.* The Trustee undertakes to perform such duties and only such duties as are expressly and specifically set forth in the Trust Agreement and no implied covenants or obligations whatsoever shall be read into the Trust Agreement against the Trustee. In accepting the trusts hereby created, the Trustee acts solely as Trustee and not in its individual capacity. All persons, including without limitation the Owners, the Original Purchaser, the District and the Corporation having any claim against the Trustee arising from the Trust Agreement shall look only to the funds and accounts hereunder for payment except as otherwise provided herein; *provided, however,* that nothing in this sentence is intended or shall be construed to apply to, or limit the source of payment of, claims against the Trustee arising from the negligence or willful misconduct of the Trustee. Under no circumstances shall the Trustee be liable in its individual capacity for payment of the obligations represented by the Certificates.

ARTICLE IX

MODIFICATION OR AMENDMENT

SECTION 9.01. *Amendments Permitted.* This Trust Agreement and the rights and obligations of the Owners of the Certificates may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 13.05, has been filed with the Trustee. No such modification or amendment may (a) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate represented thereby or extending the time of payment of interest, or reducing the amount of principal represented thereby or reducing any premium payable upon the prepayment thereof, without the express consent of the Owner of such Certificate, or (b) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification hereof, or (c) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement shall become effective as provided in Section 9.02.

This Trust Agreement and the rights and obligations of the Owners of the Certificates may be modified or amended at any time by a supplemental agreement, without the consent of any other Certificate Owners, but only to the extent permitted by law and only:

- (a) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein reserved to the Corporation or the District,
- (b) to cure, correct or supplement any ambiguous or defective provision contained herein,
- (c) in regard to questions arising hereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not, in the opinion of Bond Counsel, materially adversely affect the interests of the Owners of the Certificates,
- (d) if and to the extent permitted in the opinion of Bond Counsel filed with the Trustee, the District and the Corporation, to delete or modify any of the provisions hereof or thereof relating to the exclusion from gross income of interest represented by the Certificates for federal income tax purposes, or
- (e) to conform to any amendments of the Lease which are permitted to be made under Section 7.5 thereof.

Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto.

Notwithstanding the foregoing provisions of this Section, so long as the Original Purchaser is the Owner of all of the Outstanding Certificates, no amendment shall be made hereunder without the prior written consent of the Original Purchaser.

SECTION 9.02. *Procedure for Amendment with Written Consent of Certificate Owners.* If the consents of the Owners of the Certificates are required to any amendment hereof under Section 9.01, such amendment shall be required to comply with the provisions of this Section. A copy of such supplemental agreement, together with a request to the Certificate Owners for their consent thereto, shall be mailed by the Trustee to each Owner of a Certificate at such Owner's address as set forth on the Registration Books, but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as provided in this Section.

Such supplemental agreement may not become effective unless there shall be filed with the Trustee the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in Section 13.05) and a notice has been mailed as hereinafter provided in this Section. Each such consent shall be effective only if accompanied by proof of ownership of the Certificates for which such consent is given, which proof shall be such as is permitted by Section 2.10. Any such consent shall be binding upon the Owner of the Certificate giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Certificates have filed their consents to such supplemental agreement, the Trustee shall mail a notice to the Owners of the Certificates in the manner hereinbefore provided in this Section for the mailing of such supplemental agreement of the notice of adoption thereof, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section to be filed with the Trustee, shall be conclusive proof of the matters therein stated. Such supplemental agreement shall become effective upon the mailing of such last-mentioned notice, and such supplemental agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Certificates at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60 day period.

SECTION 9.03. *Effect of Supplemental Agreement.* From and after the time any supplemental agreement becomes effective under this Article IX, this Trust Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto, and the rights of the affected Certificate Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement for any and all purposes.

SECTION 9.04. *Endorsement or Replacement of Certificates Delivered After Amendments.* The Trustee may determine that Certificates delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand on the Owner of any Certificate Outstanding at such effective date and presentation of such Owner's Certificate for the purpose at the Office of the Trustee, a suitable notation shall be made on such Certificate. The Trustee may determine that the delivery of substitute Certificates, so modified as in the opinion of the Trustee is necessary to conform to such Certificate Owners' action is necessary or desirable, which substitute Certificates shall thereupon be prepared, executed and delivered. In that case, upon demand on the Owner of any Certificate then Outstanding, such substitute Certificate shall be exchanged at the Office of the Trustee, without cost to such Owner, for a Certificate of the same character then Outstanding, upon surrender of such Outstanding Certificate.

SECTION 9.05. *Amendatory Endorsement of Certificates.* The provisions of this Article IX shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by him, provided that proper notation thereof is made on such Certificates.

SECTION 9.06. *Opinion of Counsel.* Prior to executing any supplemental Trust Agreement, the Trustee shall be furnished an opinion of counsel, upon which it may conclusively rely to the effect that all conditions precedent to the execution of such supplemental Trust Agreement under this Trust Agreement have been satisfied and such supplemental Trust Agreement is authorized and permitted under this Trust Agreement and does not adversely affect the exclusion of interest with respect to the Certificates from gross income for federal income tax purposes or adversely affect the exemption of interest with respect to the Certificates from personal income taxation by the State of California.

ARTICLE X

OTHER COVENANTS

SECTION 10.01. *Compliance With and Enforcement of Lease.* The District covenants to perform all obligations and duties imposed on it under the Lease. The Corporation covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease.

The District will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Lease by the Corporation thereunder. The Corporation and the District, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting their respective estates, or either of them, in the Leased Property, which may or can in any manner affect such estate of the District, will deliver the same, or a copy thereof, to the Original Purchaser and the Trustee.

SECTION 10.02. *Observance of Laws and Regulations.* The District will keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the District, including its right to exist and carry on business as a public agency, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

SECTION 10.03. *Prosecution and Defense of Suits.* The District shall promptly, upon request of the Trustee or any Certificate Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Leased Property, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Certificate Owner harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

SECTION 10.04. *Recordation and Filing.* The District shall record and file the Lease or a memorandum thereof, the Site Lease, the Assignment Agreement and all such documents as may be required by law (and shall take all further actions which may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trustee and the Certificate Owners.

SECTION 10.05. *Tax Covenants.*

(a) Private Business Use Limitation. The District shall assure that the proceeds of the Certificates are not used in a manner which would cause any of the obligations of the District under the Lease to become "private activity bonds" under and within the meaning of Section 141(a) of the Tax Code.

(b) Private Loan Limitation. The District shall assure that no more than the lesser of \$5,000,000 or 5% of the aggregate amount of the proceeds of the Certificates are used, directly or indirectly, to make or finance a loan (other than loans constituting nonpurpose obligations as defined in the Tax Code or constituting assessments) to persons other than state or local government units.

(c) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the obligations of the District under the Lease to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(d) 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 the Certificates or of any other obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the obligations of the District under the Lease to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code.

(e) Rebate of Excess Investment Earnings to United States. The District shall calculate or cause to be calculated all Excess Investment Earnings in all respects at the times and in the manner required under the Tax Code. The District shall pay the full amount of Excess Investment Earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code. Such payments shall be made by the District from any source of legally available funds of the District.

The District shall keep or cause to be kept, and retain or cause to be retained for a period of 6 years following the retirement of the Certificates, records of the determinations made under this subsection (e). In order to provide for the administration of this subsection (e), the District may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the District may deem appropriate. The Trustee has no duty or obligation to monitor or enforce compliance by the District of any of the requirements herein.

(f) Small Issuer Exemption from Bank Nondeductibility Restriction. The District hereby designates the Lease Payments for purposes of paragraph (3) of Section 265(b) of the Tax Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Tax Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in Section 141 of the Tax Code, except qualified 501(c)(3) bonds as defined in Section 145 of the Tax Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including this Agreement, has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2013.

SECTION 10.06. *Additional Information to Original Purchaser.* The District shall provide such additional information as the Original Purchaser shall reasonably request from time to time pursuant to written notice to the District.

SECTION 10.07. *Waiver of Jury Trial; Agreement for Judicial Reference; No Sovereign Immunity.* To the fullest extent permitted by law, the District hereby waives its right to trial by jury in any action, proceeding and/or hearing on any matter whatsoever arising out of, or in any way connected with, the Certificates, this Trust Agreement or any documents relating to the Certificates or this Trust Agreement, or the enforcement of any remedy under any law, statute, or regulation. To the extent such waiver is not enforceable, the District hereby consents to the adjudication of any and all such matters pursuant to Judicial Reference as provided in Section 638 of the California Code of Civil Procedure, and the judicial referee shall be empowered to hear and determine any and all issues in such Reference whether fact or law. The District hereby represents that it does not possess and will not invoke a claim of sovereign immunity for disputes arising out of contractual claims relating to the Bonds or this Trust Agreement.

SECTION 10.08. *Sovereign Immunity.* The District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under this Trust Agreement, the Site Lease or the Lease, or otherwise with respect to the Certificates. To the extent the District has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the District hereby waives, to the extent permitted by law, such rights to immunity for itself in

respect of its obligations arising under or related to the this Trust Agreement, the Site Lease or the Lease, or otherwise with respect to the Certificates.

SECTION 10.09. *Further Assurances.* The Corporation and the District will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and the Lease, and for the better assuring and confirming unto the Owners of the Certificates the rights and benefits provided herein.

ARTICLE XI

LIMITATION OF LIABILITY

SECTION 11.01. *Limited Liability of District.* Except for the payment of Lease Payments when due in accordance with the Lease and the performance of the other covenants and agreements of the District contained in the Lease and this Trust Agreement, the District has no pecuniary obligation or liability to any of the other parties or to the Owners of the Certificates with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Owners by the Trustee, except as expressly set forth herein.

SECTION 11.02. *No Liability of the Corporation for Trustee Performance.* Neither the District nor the Corporation has any obligation or liability to any of the other parties or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

SECTION 11.03. *Indemnification of Trustee.* The Corporation and the District shall indemnify and save the Trustee, its directors, officers, agents and employees harmless from and against (whether or not litigated) all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of any of the following:

- (a) the use, maintenance, condition or management of, or from any work or thing done on, the Leased Property by the Corporation or the District,
- (b) any breach or default on the part of the Corporation or the District in the performance of any of their respective obligations under this Trust Agreement and any other agreement made and entered into for purposes of the Leased Property,
- (c) any act of negligence of the Corporation or the District or of any of their respective agents, contractors, servants, employees, licensees with respect to the Leased Property,
- (d) any act of negligence of any assignee of, or purchaser from the Corporation or the District or of any of its or their respective agents, contractors, servants, employees or licensees with respect to the Leased Property,

- (e) the application of the proceeds of the Certificates,
- (f) the actions of any other party, including but not limited to the ownership, operation or use of the Leased Property by the Corporation or the District,
- (g) the Trustee's exercise and performance of its powers and duties hereunder or under the Lease; or
- (h) the presence on, under or about, or release from, the Leased Property, or any portion thereof of any substance, material or waste which is or becomes regulated or classified as hazardous or toxic under State, local or federal law and the violation of any such laws by the District or the Corporation.

No indemnification is made under this Section or elsewhere in this Trust Agreement for willful misconduct, negligence under this Trust Agreement by the Trustee, its officers, agents, employees, successors or assigns. The Corporation's and the District's obligations hereunder will remain valid and binding notwithstanding maturity and payment or discharge of the Certificates and notwithstanding any resignation or removal of the Trustee.

SECTION 11.04. *Opinion of Counsel.* Before being required to take any action, the Trustee may, at the expense of the District, require an opinion of counsel acceptable to the Trustee, or an opinion of Bond Counsel acceptable to the Trustee with respect to any federal tax matters, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, Trustee shall be absolutely protected in relying on any such opinion or certificate obtained by the Trustee.

SECTION 11.05. *Limitation of Rights to Parties and Certificate Owners.* Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the District, the Corporation, the Trustee and the Owners of the Certificates, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the District, the Corporation, the Trustee and said Owners.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

SECTION 12.01. *Assignment of Rights.* Under the Assignment Agreement the Corporation has transferred, assigned and set over to the Trustee certain of the Corporation's rights in and to the Lease (excepting only the Corporation's rights under Sections 4.4, 5.10, 7.3 and 8.4 thereof), including without limitation all of the Corporation's rights to exercise such rights and remedies conferred on the Corporation under the Lease as may be necessary or convenient (a) to enforce payment of the Lease Payments and any other amounts required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund, and (b) otherwise to exercise the Corporation's rights and take any action to protect the interests of the Trustee or the Certificate Owners in an Event of Default.

SECTION 12.02. *Events of Default Defined.* As provided in Section 8.1 of the Lease, any one or more of the following events constitutes an Event of Default:

- (a) Failure by the District to pay any Lease Payment or other payment required to be paid hereunder at the time specified in the Lease.
- (b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Lease or in this Trust Agreement, other than as referred to in the preceding subsection (a), 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, the Trustee or the Original Purchaser; *provided, however,* that 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 failure will not constitute an Event of Default if the District commences to cure the failure within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.
- (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.

SECTION 12.03. *Remedies.* If an Event of Default happens, then and in each and every such case during the continuance of such Event of Default, the Trustee may, and at the written direction of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding the Trustee shall, exercise any and all remedies available under law or granted under the Lease; *provided, however,* that notwithstanding anything herein or in the Lease to the contrary, there shall be no right under any

circumstances to accelerate the maturities of the Certificates or otherwise to declare any Lease Payment not then in default to be immediately due and payable.

SECTION 12.04. *Application of Funds.* All moneys received by the Trustee under any right given or action taken under the provisions of this Article XII or Article VIII of the Lease shall be applied by the Trustee in the order following upon presentation of the several Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid -

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in taking any remedial action with respect thereto, including reasonable compensation to its agents, attorneys and counsel, and including such other necessary costs relating to the administration of the foregoing and to events leading up thereto;

Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates for principal and interest, with interest on the overdue principal and installments of interest at the rate set forth in Section 4.3(c) of the Lease (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Certificates, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

SECTION 12.05. *Institution of Legal Proceedings.* If one or more Events of Default occur and are continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Certificates by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder.

SECTION 12.06. *Non-waiver.* Nothing in this Article XII or in any other provision of this Trust Agreement or in the Certificates, affects or impairs the obligation of the District, which is absolute and unconditional, to pay or prepay the Lease Payments as provided in the Lease. No delay or omission of the Trustee or any Certificate Owner to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XII to the Trustee or the Certificate Owners may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificate Owners.

SECTION 12.07. *Remedies Not Exclusive.* No remedy herein conferred upon or reserved to the Trustee or the Certificate Owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

SECTION 12.08. *Power of Trustee to Control Proceedings.* If the Trustee, upon the happening of an Event of Default, takes any action, by judicial proceedings or otherwise, under its duties hereunder, whether upon its own discretion or upon the direction of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, it has full power, in the exercise of its discretion for the best interests of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however,* that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Certificates opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

SECTION 12.09. *Limitation on Certificate Owners' Right to Sue Exclusive.* No Owner of any Certificate executed and delivered hereunder may institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner has previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of a majority in aggregate principal amount of all the Certificates then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee has refused or omitted to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Certificates of any remedy hereunder; it being understood and intended that no one or more Owners of Certificates has any right in any manner whatever by its or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Certificates.

SECTION 12.10. *Possession of Certificates by Trustee Not Required.* All rights and remedies granted to or exercisable by the Trustee hereunder or under the Lease may be exercised by the Trustee without possession of any of the Certificates or the production thereof at the trial or other proceeding relative thereto, and any suit, action or proceeding instituted by the Trustee hereunder or under the Lease shall be brought in its name for the benefit of the Owners of such Certificates, subject to the provisions of this Trust Agreement.

ARTICLE XIII

DISCHARGE; ADMINISTRATIVE PROVISIONS

SECTION 13.01. *Discharge Hereof.* If and when the obligations represented by any Outstanding Certificates shall be paid and discharged in any one or more of the following ways:

- (a) by well and truly paying or causing to be paid the principal, interest and prepayment premiums (if any) represented by such Certificates Outstanding, as and when the same become due and payable, or
- (b) by depositing with the Trustee or any other fiduciary, under an escrow deposit and trust agreement, security for the payment of Lease Payments relating to such Certificates as more particularly described in Section 9.1 of the Lease, said security to be held by the Trustee on behalf of the District to be applied by the Trustee or by such other fiduciary to pay or prepay such Lease Payments as the same become due, under Section 9.1 of the Lease,

then notwithstanding that such Certificates have not been surrendered for payment, all rights hereunder of the Owners of such Certificates and all obligations of the Corporation, the Trustee and the District with respect to such Certificates shall cease and terminate, except only the obligations of the Corporation and the District under Section 11.03 and the obligations of the Trustee under Sections 2.07 and 2.08, and the obligation of the Trustee to pay or cause to be paid, from Lease Payments paid by or on behalf of the District from funds deposited under paragraph (b) of this Section, to the Owners of such Certificates not so surrendered and paid all sums represented thereby when due and in the event of deposits under paragraph (b), such Certificates shall continue to represent direct, undivided fractional interests of the Owners thereof in the Lease Payments.

Any funds held by the Trustee, at the time of discharge of the obligations represented by all Outstanding Certificates as a result of one of the events described in paragraphs (a) or (b) of this Section, which are not required for the payment to be made to Owners, shall, upon payment in full of all fees and expenses of the Trustee (including attorneys' fees) then due, be paid over to the District.

SECTION 13.02. *Records.* The Trustee shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement, which shall be available for inspection by the District, the Corporation and any Owner, or the agent of any of them, at any reasonable time during regular business hours upon prior notice.

SECTION 13.03. *Notices.*

Any notice, request, complaint, demand or other communication under this Trust Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or 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) 72

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, the Trustee or the Original Purchaser 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 Corporation:

SRVFPD Financing Corporation
1500 Bollinger Canyon Road
San Ramon, California 94583
Attention: Executive Director
Fax: (925) 838-6629

If to the District:

San Ramon Valley Fire Protection District
1500 Bollinger Canyon Road
San Ramon, California 94583
Attention: Fire Chief
Fax: (925) 838-6629

If to the Trustee:

U.S. Bank National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Corporate Trust Services
Fax: (415) 677-3768

If to the Original Purchaser

JPMorgan Chase Bank, N.A.
4600 Dublin Blvd.
Dublin, California 94568
Attention: Stuart J. Bessieres
Fax: (925) 470-2477

SECTION 13.04. *Disqualified Certificates.* In determining whether the Owners of the requisite aggregate principal amount of Certificates have concurred in any demand, request, direction, consent or waiver under this Trust Agreement, Certificates which are owned or held by or for the account of the District (but excluding Certificates held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, *provided, however,* that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Certificates which the Trustee knows to be so owned or held shall be disregarded.

SECTION 13.05. *Payment of Certificates After Discharge of Trust Agreement.* Notwithstanding any provisions of this Trust Agreement, but subject to any applicable laws of the State of California relating to the escheat of funds or property, any moneys held by the Trustee in trust for the payment of the principal or interest represented by any Certificates and remaining unclaimed for 2 years after the principal represented by all of the Certificates has become due and payable (whether at maturity or upon call for prepayment as provided in this Trust Agreement), if such moneys were so held at such date, or 2 years after the date of deposit of such moneys if deposited after said date when all of the Certificates became due and payable, shall be repaid to the District free from the trusts created by this Trust Agreement, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however,* that before the

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

SECTION 13.06. *Governing Law.* This Trust Agreement shall be construed and governed in accordance with the laws of the State of California.

SECTION 13.07. *Binding Effect; Successors.* This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement either the Corporation, the District, the Original Purchaser or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Corporation, the District, the Original Purchaser or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 13.08. *Corporation and District Representatives.* Whenever under the provisions of this Trust Agreement the Corporation or the District is required or permitted to take some action, including but not limited to the giving of any approval or the execution of some request, direction or other instrument, such action shall be made on behalf of the Corporation by a Corporation Representative and on behalf of the District by a District Representative, and any party hereto shall be fully authorized to rely upon any such action by a Corporation Representative or a District Representative.

SECTION 13.09. *Third-Party Beneficiary.* The Original Purchaser is made a third-party beneficiary of this Trust Agreement, with all rights of a third-party beneficiary.

SECTION 13.10. *Execution in Counterparts.* This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

SECTION 13.11. *Delivery of Canceled Certificates.* Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee of any Certificates, the Trustee shall cancel and, unless directed in writing by the District Representative, destroy such Certificates and shall deliver a certificate of destruction with respect thereto to the District.

SECTION 13.12. *Headings.* The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement.

SECTION 13.13. *Waiver of Notice.* Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice are not conditions precedent to the validity of any action taken in reliance upon such waiver.

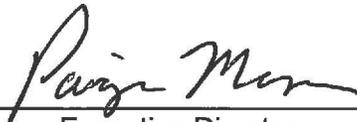
SECTION 13.14. *Separability of Invalid Provisions.* In case any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Corporation and the District hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date and year first above written.

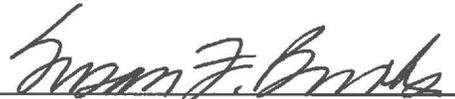
U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By 
Authorized Officer

SRVFPD FINANCING CORPORATION

By 
Executive Director

Attest:

By 
District Clerk

**SAN RAMON VALLEY FIRE
PROTECTION DISTRICT**

By 
Fire Chief

Attest:

By 
District Clerk

APPENDIX A

DEFINED TERMS

Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms defined in this Appendix A have the respective meanings given them in this Appendix when used in this Trust Agreement and when used in the Lease Agreement.

"Additional Payments" means the amounts payable by the District under Section 4.4 of the Lease.

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

"Bank Direct Payment Period" has the meaning given that term in Section 2.05.

"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 obligations the interest on which is excludable from gross income under Section 103 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, or in any state in which any Office of the Trustee is located.

"Certificates" means the \$3,227,000 aggregate principal amount of 2013 Refunding Certificates of Participation, executed and delivered and at any time Outstanding hereunder.

"Closing Date" means December 19, 2013, being the day when the Certificates, duly executed by the Trustee, are delivered to the Original Purchaser.

"Corporation" means the SRVFPD Financing Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California.

"Corporation Representative" means the President, Executive Director, District Clerk or Treasurer of the Corporation, or any other person authorized by resolution of the Board of Directors of the Corporation to act on behalf of the Corporation under or with respect to the Lease and this Trust Agreement.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the District or the Corporation relating to the execution and delivery of the Lease, the refunding of the 2003 Certificates, and the execution, sale and delivery of the Certificates. Costs of Issuance include (but are not limited to) the following: filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee and the trustee for the 2003 Certificates (which

may include legal fees and the first annual administration fee), financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, fees for execution, transportation and safekeeping of the Certificates, and any charges and fees in connection with the foregoing.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee under Section 4.03.

“District” means the San Ramon Valley Fire Protection District, a fire protection district duly organized and existing under the laws of the State of California.

“District Representative” means the President or Fire Chief of the District, or any other person authorized by resolution of the Board of Directors of the District to act on behalf of the District under or with respect to the Lease Agreement and this Trust Agreement.

“Event of Default” means an event of default under the Lease, as defined in Section 8.1 thereof.

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

“Federal Securities” means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), the payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America; and (b) any obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

“Fiscal Year” means the twelve-month period beginning on July 1 of any year and ending on June 30 of the next succeeding year, or any other twelve-month period by the District as its fiscal year under written notice filed with the Trustee.

“Insurance and Condemnation Fund” means the fund by that name to be established and held by the Trustee under Section 6.01.

“Interest Payment Date” means August 1, 2014, and each February 1 and August 1 thereafter to and including the final date of maturity of the Certificates.

“Lease” means the Third Amended and Restated Lease Agreement dated as of December 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 and supplements thereto.

“Lease Payment Date” means, with respect to any Interest Payment Date, the 5th Business Day immediately preceding such Interest Payment Date.

“Lease Payment Fund” means the fund by that name established and held by the Trustee under Section 5.02.

"Lease Payments" means all payments required to be paid by the District under Section 4.3(a) of the Lease, including any prepayment thereof under Article IX of the Lease.

"Leased Property" means the real property described more fully in Appendix A attached to the Lease Agreement; except that if the District exercises its option under Section 3.3 of the Lease with respect to the substitution of property or its option under Section 3.4 of the Lease with respect to the release of property, the term "Leased Property" will thereupon be modified accordingly.

"Moody's" means Moody's Investors Service, its successors and assigns.

"Net Proceeds" means any insurance proceeds or eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers), paid with respect to the Leased Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

"Office" means the corporate trust office of the Trustee in San Francisco, California, or such other or additional offices as the Trustee may designate in writing to the Corporation from time to time as the corporate trust office for purposes of this Trust Agreement, provided, however, for transfer, registration, exchange, payment and surrender of Certificates means care of the corporate trust office of U.S. Bank National Association in St. Paul, Minnesota or such other office designated by the Trustee from time to time.

"Original Purchaser" means JPMorgan Chase Bank, N.A., as original purchaser of the Certificates upon the negotiated sale thereof, or its successors or assigns.

"Outstanding", when used as of any particular time with respect to Certificates, means (subject to the provisions of Section 13.05) all Certificates theretofore executed and delivered by the Trustee under this Trust Agreement except (a) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Certificates deemed to have been paid under Section 13.01; and (c) Certificates in lieu of or in exchange for which other Certificates has been executed and delivered by the Trustee under Section 2.08.

"Owner", when used with respect to a Certificate, means the person in whose name the ownership of such Certificate shall be registered on the Registration Books.

"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 pursuant to Article V of the Lease; (b) the 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 with respect to the Leased Property issued as of the Closing Date by Stewart Title Insurance Co.; and (e) 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.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (the Trustee entitled to rely upon the investment direction of the District as a determination that such investment is such a legal investment):

- (a) Federal Securities.
- (b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: Export-Import Bank, Farmers Home Administration, General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing & Urban Development, and Federal Housing Administration;
- (c) bonds, notes or other evidences of indebtedness rated AAA by S&P and Aaa by Moody’s issued by Fannie Mae or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three (3) years;
- (d) U.S. dollar denominated deposit accounts (including those with the Trustee), federal funds and banker’s acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of A-1 or A-1+ by S&P and P-1 by Moody’s, and maturing no more than 360 days after the date of purchase;
- (e) commercial paper which is rated at the time of purchase in the single highest classification, A-1+ by S&P and P-1 by Moody’s and which matures not more than 270 days after the date of purchase;
- (f) investments in a money market fund rated AAAM or AAAM-G or better by S&P, which may include funds for which the Trustee or its affiliates provide investment advisory or other management services;
- (g) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based on the escrow, in the highest rating category of S&P and Moody’s or (ii)(A) which are fully secured as to principal and interest and prepayment premium, if any, by a fund consisting only of cash or Federal Securities, which fund may be applied only to the payment of such principal of and interest and prepayment premium, if any, in such bonds or other obligations on the maturity date or dates thereof or the specified prepayment date or dates under such irrevocable instructions, as appropriate, and (B) which fund is sufficient, as verified by an independent certified public

accountant, to pay principal of and interest and prepayment premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the prepayment date or dates specified in the irrevocable instructions referred to above, as appropriate;

- (h) investment agreements approved in writing by the Original Purchaser with notice to S&P;
- (i) the Local Agency Investment Fund which is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee.
- (j) Any other investments permitted in writing by the Original Purchaser.

“Record Date” means the close of business on the 15th day of the month preceding each Interest Payment Date, whether or not such 15th day is a Business Day.

“Refunding Instructions” means the Irrevocable Refunding Instructions dated as of the Closing Date, given by the District to the 2003 Trustee, relating to the current refinancing of the District’s obligations under the 2003 Lease and the corresponding refinancing of the 2003 Certificates, as originally executed or as it may from time to time be supplemented, modified or amended.

“Registration Books” means the records maintained by the Trustee under Section 2.11 for the registration of the ownership and transfer of ownership of the Certificates.

“Rental Period” means each period during the Term of the Lease commencing on and including August 2 in each year and extending to and including the next succeeding August 1, except that the first Rental Period begins on the Closing Date and ends on August 1, 2014.

“Site Lease” means the Second Amended and Restated Site Lease dated as of December 1, 2013, between the District as lessor and the Corporation as lessee of the Leased Property, as originally executed or as thereafter amended under any duly authorized and executed amendments and supplements thereto.

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

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

“Tax Revenues” means all *ad valorem* property tax revenues received by the District which may legally be applied to pay the Lease Payments.

"Term of the Lease" means the time during which the Lease is in effect, as provided in Section 4.2 thereof.

"Trust Agreement" means this Trust Agreement, as originally executed or as thereafter amended under any amendments or supplements hereto which are permitted to be made hereunder.

"Trustee" means U.S. Bank National Association, or any successor thereto acting as Trustee pursuant hereto.

"2003 Certificates" means the \$9,015,000 aggregate principal amount of 2003 Refunding Certificates of Participation (Fire Protection Facilities Refinancing), executed and delivered under the Trust Agreement dated as of June 1 2003, among the District, the Corporation and U.S. Bank National Association, as trustee for the 2003 Certificates.

"2003 Lease" means the Second Amended and Restated Lease Agreement dated as of June 1 2003, between the Corporation as lessor and the District as lessee of the Leased Property.

"2003 Trustee" means U.S. Bank National Association, its successors and assigns, as trustee for the 2003 Certificates.

APPENDIX B

FORM OF CERTIFICATE OF PARTICIPATION

No. R-_____

\$3,227,000

2013 REFUNDING CERTIFICATES OF PARTICIPATION

**Evidencing The Direct, Undivided Fractional Interests Of The Owners
Thereof**

In Lease Payments To Be Made By The

SAN RAMON VALLEY FIRE PROTECTION DISTRICT

As Rental For Certain Leased Property

Under a Third Amended And Restated Lease Agreement with the

SRVFPD FINANCING CORPORATION

**RATE OF INTEREST:
1.400%**

**MATURITY DATE:
August 1, 2018**

**DATED DATE:
December 19, 2013**

REGISTERED OWNER:

**PRINCIPAL AMOUNT: THREE MILLION TWO HUNDRED TWENTY-SEVEN
THOUSAND DOLLARS**

THIS IS TO CERTIFY THAT the Registered Owner identified above, or registered assigns, as the registered owner (the "Registered Owner") of this Certificate of Participation (this "Certificate") is the owner of a direct, undivided fractional interest in lease payments (the "Lease Payments") payable under the Third Amended and Restated Lease Agreement dated as of December 1, 2013 (the "Lease"), between the SRVFPD Financing Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation") and the San Ramon Valley Fire Protection District, a fire protection district duly organized and existing under the laws of the State of California (the "District"), which Lease Payments and certain other rights and interests under the Lease have been assigned to U.S. Bank National Association, as trustee (the "Trustee"), having a corporate trust office in San Francisco, California (the "Office").

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Lease, on the Maturity Date identified above, or any earlier prepayment date, the Principal Amount identified above representing a direct, undivided fractional

share of the portion of the Lease Payments designated as principal, and to receive on August 1, 2014, and semiannually thereafter on February 1 and August 1 of each year (the "Interest Payment Dates") until payment in full of said principal, the Registered Owner's direct, undivided fractional share of the Lease Payments designated as interest coming due during the period immediately preceding each of the Interest Payment Dates.

Interest represented hereby is payable from the Interest Payment Date next preceding the date of execution of this Certificate unless (a) this Certificate is executed on an Interest Payment Date, in which event interest is payable from such Interest Payment Date, or (b) unless this Certificate is executed on or before July 15, 2014, in which event interest is payable from the Dated Date identified above. The Registered Owner's share of the portion of the Lease Payments designated as interest is the result of the multiplication of the aforesaid share of the portion of the Lease Payments designated as principal by the Rate of Interest per annum identified above, calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal represented hereby is payable in lawful money of the United States of America, upon presentation and surrender hereof at the Office of the Trustee, and interest represented hereby is payable by check mailed by first class mail by the Trustee on each Interest Payment Date to the Registered Owner at such Owner's address as it appears on the registration books of the Trustee as of the close of business on the 15th calendar day of the month immediately preceding such Interest Payment Date.

This Certificate has been executed and delivered by the Trustee under the terms of a Trust Agreement among the Trustee, the Corporation and the District, dated as of December 1, 2013 (the "Trust Agreement"). The District has certified that it is authorized to enter into the Lease and the Trust Agreement under the laws of the State of California, for the purpose of leasing certain real property used for the fire protection purposes of the District (the "Leased Property"). Reference is hereby made to the Lease and the Trust Agreement (copies of which are on file at the Office of the Trustee) for a description of the terms on which the Certificates are delivered, the rights thereunder of the owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the District under the Lease, to all of the provisions of the Lease and the Trust Agreement the Registered Owner of this Certificate, by acceptance hereof, assents and agrees.

The District is obligated under the Lease to pay the Lease Payments for the Leased Property from any source of available funds, subject to certain exceptions as set forth in the Lease. As more fully described in the Lease, the Lease Payments are subject to abatement during any period in which by reason of damage or destruction to the Leased Property in whole or in part, or by reason of eminent domain proceedings with respect to the Leased Property in whole or in part, there is substantial interference with the use and occupancy by the District of the Leased Property or any portion thereof; such abatement will be in an amount agreed upon by the District and the Corporation such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining portions of the Leased Property. The obligation of the District to pay the Lease Payments does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The obligation of the District to pay the Lease Payments does not constitute a debt of the District, the State of California or

any of its political subdivisions, and does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Notwithstanding anything herein or in the Trust Agreement to the contrary, so long as this Certificate is owned by JPMorgan Chase Bank, N.A., (the "Original Purchaser"), all amounts payable to the Original Purchaser with respect to this Certificate shall be made by the District to the Original Purchaser, unless the Original Purchaser otherwise provides written direction to the Trustee and the District (without any presentment thereof, except upon the payment of the final installment of principal, and without any notation of such payment being made thereon), in such manner or at such address in the United States as may be designated by the Original Purchaser in writing to the Trustee (the "Bank Direct Payment Period"). During any Bank Direct Payment Period, (i) any payment made shall be accompanied by sufficient information to identify the source and proper application of such payment, (ii) the Original Purchaser shall notify the Trustee in writing of any failure of the District to make any payment of the principal of or interest on this Certificate when due, and the Trustee shall not be deemed to have any notice of such failure unless it has received such notice in writing, and (iii) if this Certificate is sold or transferred, the Original Purchaser shall notify the Trustee and the District in writing of the name and address of the transferee, the effective date of the transfer, the principal amount of this Certificate transferred and the payment information notated on this Certificate as hereinafter described, and it will, prior to delivery hereof, make a notation hereon of the date to which interest has been paid thereon and of the amount of any prepayment made on account of the principal thereof. Furthermore, to the extent that the District has made the required payments to the Original Purchaser during any Bank Direct Payment Period, the Trustee shall have no obligations to make payments of the principal of or interest on this Certificate, to act as registrar or to take any other action in respect thereof, except at the express written direction of the Original Purchaser or the District.

The Certificates are subject to optional prepayment on August 1, 2016, or any date thereafter, in whole or in part, at a prepayment price equal to 100% of the principal amount thereof together with accrued interest represented thereby to the prepayment date, without premium.

The Certificates are subject to prepayment in part by lot, on August 1 in each of the years as set forth in the following table, at a prepayment price equal to the principal amount thereof to be prepaid together with accrued interest thereon to the prepayment date, without premium, in the aggregate respective principal amounts and on the respective dates as follows:

Sinking Fund Prepayment Date (August 1)	Principal Amount To Be Prepaid
2014	\$ 621,000
2015	640,000
2016	646,000
2017	656,000
2018	664,000

As provided in the Trust Agreement, the Trustee must mail notice of prepayment by first class mail, postage prepaid, not less than 30 nor more than 60 days before the prepayment date, to the registered owners of the Certificates to be prepaid, but neither failure to receive such notice nor any defect in the notice so mailed affects the sufficiency of the proceedings for prepayment or the cessation of accrual of interest represented thereby. If this Certificate is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, interest represented hereby ceases to accrue from and after the date fixed for prepayment.

This Certificate is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Trust Agreement and upon surrender and cancellation of this Certificate. Upon such transfer a new Certificate or Certificates, of authorized denomination or denominations, representing the same aggregate principal amount and representing the same rate of interest, will be delivered to the transferee in exchange herefor. The District, the Corporation and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Certificate is overdue, and the District, the Corporation and the Trustee will not be affected by any notice to the contrary.

The Trustee is not required to register the transfer or exchange of any Certificate during the period in which the Trustee is selecting Certificates for prepayment or any Certificate selected for prepayment.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the owners of a majority in aggregate principal amount of the Certificates then outstanding, and may be amended without such consent under certain circumstances; provided that no such amendment may extend the fixed maturity of any Certificate or reduce the interest or principal represented thereby, without the express consent of the owner of such Certificate.

The Trustee has no obligation or liability to the owners of the Certificate to make any payment of the interest, principal or premium (if any) represented by the Certificates, other than as provided in the Trust Agreement from the Lease Payments and amounts credited thereto received or held by the Trustee. The recitals herein are statements of the Corporation and the District and not of the Trustee. The Trustee has executed this Certificate solely in its capacity as Trustee under the Trust Agreement and not in its individual or personal capacity.

The District has certified, recited and declared that all things, conditions and acts required by the laws of the State of California, the Lease and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of the Certificates, do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, this Certificate has been executed and delivered by U.S. Bank National Association, as Trustee, acting pursuant to the Trust Agreement.

Execution Date:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within registered Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution (banks, stockbrokers, saving and loan associations and credit unions with membership in an approved signature medallion program) pursuant to Securities and Exchange Commission Rule 17Ad-15.

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