

TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of ____ 1, 2018, by and between **ZB, NATIONAL ASSOCIATION DBA ZIONS BANK**, a national banking association organized and existing under the laws of the United States of America (“Trustee”) and the **WILLIAM S. HART JOINT SCHOOL FINANCING AUTHORITY**, a joint powers authority organized and existing under the laws of the State of California and that certain “Joint Exercise of Powers Agreement Creating the William S. Hart Joint School Financing Authority,” by and between the William S. Hart Union High School District and Community Facilities District No. 88-4 of the William S. Hart Union High School District, dated as of November 9, 1994 (“Joint Powers Agreement”), as Issuer (“Authority”).

RECITALS

1. The William S. Hart Union High School District (“District” or “School District”) and Community Facilities District No. 88-4 of the District previously executed the Joint Powers Agreement and formed the Authority in order to provide for: (i) the acquisition, construction, modification, rehabilitation, financing and refinancing of facilities within the boundaries of the School District, including the purchase, retention, and resale of bonds issued to finance such facilities; and (ii) the establishment, financing and implementation of a program of local agency pooled financing and lending as contemplated by the Marks-Roos Act (as defined herein).

2. The District and the Authority desire to issue and sell the William S. Hart Joint School Financing Authority Lease Revenue Bonds, Series 2018 (“Bonds” or “Series 2018 Bonds”) in order to apply the proceeds of the Bonds to: (i) the design, construction, renovation, improvement, furnishing, equipping, acquisition, delivery and installation of new construction and modernization projects at certain schools, support facilities and land necessary for such facilities (which school facilities projects are attached as Exhibit “D” and incorporated herein by reference) (“Project”); (ii) fund a reserve fund for the Bonds; and (iii) pay certain costs of issuance related to the issuance and sale of the Bonds (collectively, the “Financing Project”) through the issuance and sale of the Bonds.

3. The Authority is authorized pursuant to the laws of the State and the Joint Powers Agreement to enter into leases with the District for the purposes set forth in the Joint Powers Agreement to facilitate the Financing Project.

4. The Authority has entered into the Lease Agreement (as hereinafter defined) with the District and related documents in order to issue and sell the Bonds.

5. Under the Lease Agreement, in order to provide for the acquisition, construction, delivery and installation of the Project and to assure the District that the Construction Costs (as defined herein) of the Project will be paid without delay, the Authority is required to deposit with the Trustee, or cause to be deposited with the Trustee on its behalf, certain moneys.

6. Under the Lease Agreement, the District is obligated to make Lease Payments to the Authority for the use of the Site and the Authority has assigned certain of its rights in and to the Lease Agreement, including the right to receive Lease Payments due thereunder, to the

Trustee pursuant to the Assignment Agreement, dated as of the date hereof (“Assignment Agreement”).

7. For the purpose of obtaining the moneys required to be deposited by it with the Trustee, the Authority has, by the Assignment Agreement, assigned and transferred certain of its rights and interests under the Lease Agreement to the Trustee; and in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed to authenticate and issue Bonds to provide the moneys herein required to be deposited.

8. The Authority has determined that all acts, conditions and things required by law to exist, to happen and to be performed precedent to and in connection with the execution and entering into of this Trust Agreement, exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this Trust Agreement.

PLEDGE CLAUSE:

NOW, THEREFORE, in consideration of the premises, of the acceptance by the Trustee of the trust hereby created, and of the purchase and acceptance of the Bonds by the Owners thereof, and other good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, and in order to secure the payment of all the Bonds at any time issued and Outstanding hereunder and the interest thereon according to their tenor, purport and affect, and in order to secure the performance and observance of all of the covenants, agreements and conditions contained therein, herein, and in the Lease Agreement, the Authority by these presents does grant, bargain, sell, release, convey, assign, transfer, transfer in trust and pledge unto the Trustee for the benefit of the Owners, but subject to application as herein provided, all of its right, title and interest in and to: (i) all revenues, issues, income, rents, royalties, profits and receipts derived or to be derived by the Authority from or attributable to the lease of the Site to the District, including all revenues attributable to the lease of the Site or to the payment of the costs thereof received or to be received by the Authority under the Lease Agreement, or any part thereof or any contractual arrangement with respect to the use of the Site, including the payment of Lease Payments, Additional Rent and Reserve Replenishment Rent thereunder; (ii) the proceeds of any insurance, including the proceeds of any self-insurance, covering the loss relating to the Site; (iii) all proceeds of rental interruption insurance policies, if any, carried with respect to the Site pursuant to the Lease Agreement; (iv) all amounts on hand from time to time in the funds and accounts established hereunder (other than the Construction Fund, Costs of Issuance Fund and the Rebate Fund and any moneys to be deposited therein, or interest earnings thereon in the Rebate Fund); and (v) any additional property that may from time to time, by delivery or by writing of any kind, be subjected to the lien hereof by the Authority or by anyone on its behalf, subject only to the provisions of this Trust Agreement and the Lease Agreement (all amounts under (i), (ii), (iii), (iv) and (v) of this sentence, are collectively, in certain instances, referred to as the “Revenues”).

To have and to hold all of the above unto the Trustee and its successors and assigns forever for the equal and ratable benefit of the Owners from time to time of all the Bonds issued hereunder and Outstanding, without any priority of any one Bond over any other, except that amounts deposited into or held in a fund or account hereunder for the payment or security of specified Bonds shall be held for the benefit only of such Bonds and shall provide security only for those Bonds for which such deposit was made, all upon the trusts and subject to the covenants and conditions hereinafter set forth.

ARTICLE I: APPOINTMENT OF TRUSTEE; DEFINITIONS

1.1 Appointment of Trustee. The Authority hereby appoints and employs the Trustee to receive, hold, invest and disburse the moneys to be paid to it pursuant to the Lease Agreement for credit to the various funds and accounts established by this Trust Agreement; to authenticate the Bonds issued hereunder; and to apply and disburse the Revenues, including, but not limited to, the Lease Payments, received from the District to the Owners of the Bonds, as applicable; and to perform certain other functions, all as hereinafter provided. By executing and delivering this Trust Agreement, the Trustee accepts the express duties and obligations of the Trustee provided herein, but only upon the terms and conditions expressly herein set forth.

1.2 Definitions. Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement, have the meanings herein specified. All terms capitalized but not defined herein shall have the meaning(s) ascribed to such terms in the Lease Agreement.

“Additional Rent” means the rental payments specified as such in Section 5.01(c) of the Lease Agreement.

“Agency Agreement” means the Agency Agreement, dated as of _____ 1, 2018, by and between the Authority and the District, and any duly authorized and executed amendment thereto, pursuant to which the District agrees to cause the Project to be acquired, delivered and installed, as agent of the Authority.

“Assignment Agreement” means the Assignment Agreement, and any duly authorized and executed amendment thereto, pursuant to which the Authority assigns certain of its rights and remedies under the Lease Agreement to the Trustee.

“Authority” or “Lessor” means the William S. Hart Joint School Financing Authority, its successors and assigns.

“Authority Board” means the Board of Directors of the Authority.

“Authority Representative” or “Authority Officer” means any officer or employee of the Authority authorized to perform specific acts or duties by resolution duly adopted by the Authority Board. For purposes of this definition, “Authority Representative” or “Authority Officer” includes, but is not limited to, the President, Vice-President, Secretary, Chief Executive Officer and Treasurer/Chief Financial Officer of the Authority.

“Authorized Denominations” means, with respect to the Bonds, \$5,000 Principal Amount and integral multiples thereof.

“Beneficial Owners” means those individuals, partnerships, corporations or other entities for which the Participants (as defined herein) have caused the Depository to hold book-entry Bonds pursuant to this Trust Agreement.

“Bond Counsel” means a firm of nationally recognized bond attorneys, initially Atkinson, Andelson, Loya, Ruud & Romo, A Professional Corporation.

“Bond Fund” means the fund of that name established under, and held by the Trustee, pursuant to Section 3.4 of this Trust Agreement.

“Bond Register” means the Bond Register kept by the Trustee as provided in Section 2.11 hereof.

“Bond Year” means each twelve-month period extending from November 2 in one calendar year to November 1 of the succeeding calendar year, except in the case of the initial Bond Year which shall be the period from the Delivery Date to November 1, 2018, both dates inclusive.

“Bonds” or **“Series 2018 Bonds”** means the William S. Hart Joint School Financing Authority Lease Revenue Bonds, Series 2018, as issued and delivered pursuant to the terms hereof.

“Business Day” means a day which is not a Saturday or Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed in California and New York for commercial banking purposes and on which the Federal Reserve system is not closed.

“Certificate of Completion” means a certificate of that name executed by a District Representative and the Authority Representative, and filed with the Trustee as set forth in Section 3.2 hereof.

“Certificate of the Authority” means an instrument in writing signed by an Authority Representative. If and to the extent required by the provisions of Section 9.12 hereof, each Certificate of the Authority shall include the statements provided for in Section 9.12 hereof.

“Certificate of the District” means an instrument in writing signed by a District Representative. If and to the extent required by the provisions of Section 9.12 hereof, each Certificate of the District shall include the statements provided for in Section 9.12 hereof.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable Regulations.

“Completion Date” means the date of substantial completion of the acquisition, construction, delivery and installation of the Project, as evidenced by the filing with the Trustee of a Certificate of Completion and as set forth in Section 3.2(c) hereof.

“Construction Costs” mean the costs of the acquisition, construction, installation, delivery and financing of the Project, and shall, subject to the proviso below, include, without limitation, the cost of any taxes or assessments paid or to be paid in connection with the transfer of any property; the cost of any indemnity and surety bonds; and fees and expenses of attorneys, accountants, financial advisors and consultants; and such other costs, whether or not specified herein, as may be necessary or incidental to the acquisition, installation, delivery and financing of the Project and the placing of the same in operation and subsequent to placing the same in operation; provided, however, that Construction Costs shall include only those costs that the Lessor, if it paid federal income taxes, would, pursuant to the Code, be (i) required to charge to a capital account, (ii) permitted to elect to charge to a capital account instead of deducting from income, or (iii) permitted to deduct from income instead of charging to a capital account.

“Construction Fund” means the fund of that name established under, and held by the Trustee pursuant to Section 3.2 of this Trust Agreement.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate executed by the District on behalf of itself and the Authority, and dated the date of issuance of the Bonds, as originally executed and as amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District or the Authority relating to the financing of the Project, including but not limited to filing and recording costs, fees and expenses incurred in connection with the preparation of the Bonds; the costs of issuing and delivering the Bonds, including expenses relating to registering or qualifying the Bonds for distribution in any jurisdiction of the United States of America; commissions, financing charges, settlement costs, printing costs, reproduction and binding costs; initial fees and charges of the Trustee, including its first annual administration fees; legal fees and charges; financial and other professional consultant fees; the costs of rating agencies for credit ratings (if any) and the costs for municipal insurance policies and any reserve policies or other credit facilities.

“Costs of Issuance Fund” means the account of that name established under, and held by the Trustee, pursuant to Section 3.3 of this Trust Agreement.

“County” means the County of Los Angeles, a county and political subdivision of the State organized and operating pursuant to the laws of the State, and any successor(s) thereto.

“Defeasance Securities” means non-callable direct and general obligations of the United States of America (including State and Local Government Series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidence of direct ownership or proportionate interests in future interest or principal payments of such obligations. In the case of investments in such proportionate interests, such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Defeasance Securities; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying Defeasance Securities; and (c) the underlying Defeasance Securities are held in a

special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at the highest then-prevailing United States Treasury securities rate.

“Delivery Date” or “Dated Date” means the date when the Bonds, duly executed by the Authority and authenticated by the Trustee, are delivered to Stifel, Nicolaus & Company, Incorporated, as the original purchaser thereof.

“District” or “Lessee” means the William S. Hart Union High School District, a public school district duly organized and existing under the State Constitution and State laws and located in the County, and its successors and assigns.

“District Board” means the Governing Board of the District.

“District Representative” shall mean the District's Superintendent, Chief Financial Officer, District Board members and officers, or other representatives designated in writing by the District's Superintendent.

“DTC” or “Depository” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the Bonds.

“Due Dates” means the 15th day of the month prior to each Payment Date commencing with the November 1, 2018, Payment Date, so long as any of the Bonds are Outstanding.

“Event of Default” means the events described in Section 7.1 hereof.

“Excess Investment Earnings” shall mean an amount equal to the sum of:

(i) the excess of

(A) the aggregate amount earned from the Delivery Date on all Nonpurpose Investments in which Gross Proceeds are invested (other than amounts attributable to an excess described in this subparagraph (i)), over

(B) the amount that would have been earned if the yield on such Nonpurpose Investments (other than amounts attributable to an excess described in this subparagraph (i)) had been equal to the Yield on the Bonds,

plus

(ii) any income attributable to the excess described in paragraph (i).

“Fiscal Year” means the fiscal year of the Authority, commencing July 1 and ending June 30 of each year.

“Gross Proceeds” means any proceeds of the Bonds and any funds (other than proceeds of the Bonds) that are part of a reserve or replacement fund for the Bonds within the meaning of Section 1.148-1(b) of the Regulations.

“Hazardous Substance” means any hazardous substance, pollutant or contaminant included in such (or similar) term under any state, federal or local statute, ordinance, rule or regulation now in effect or hereafter enacted or amended.

“Independent Appraiser” means an appraiser, or appraisal firm or company, appointed and paid by the Authority and who, or each of whom:

- (1) is independent from the Authority and the District; and
- (2) does not have any substantial interest, direct or indirect, in the Authority, the District or the Bonds.

“Informational Services” means the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access (EMMA) system, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the Authority may designate in a Written Request of the Authority delivered to the Trustee.

“Insurance and Condemnation Fund” means the fund of that name established under, and held by the Trustee, pursuant to Section 3.6 of this Trust Agreement.

["Insurance Business Day"] means any day other than (a) a Saturday or Sunday, (b) any day on which the offices of the Trustee are closed, or (c) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the City of New York.]

["Insurance Policy"] means the Insurance Policy, and any endorsement thereto, issued by the Insurer guaranteeing the scheduled payment of Principal and interest on the Bonds when due, or any insurance policy substituted for said Insurance Policy.]

["Insurer"] means _____.]

“Lease Agreement” means the Lease Agreement, for the sublease of the Site, by and between the Authority and the District, dated as of _____ 1, 2018, and any authorized and executed amendment thereto.

“Lease Payments” means the lease payments defined as such under the Lease Agreement as such amounts may be adjusted from time to time in accordance with Section 4.8 hereof.

“Marks-Roos Act” means the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 *et seq.* of the California Government Code.

“Moody’s” means Moody’s Investors Services, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, except that if such corporation shall no longer perform the function of a securities rating agency for any reason, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.15 hereof.

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

“Outstanding,” when used with reference to the Bonds, and as of any particular date, means all Bonds theretofore issued (subject to provisions hereof regarding disqualified Bonds) except: (a) any Bond canceled by the Trustee at or before said date; (b) Bonds (or portions of Bonds) for the payment of which moneys or securities shall be held in trust under this Trust Agreement and set aside for such payment or redemption; (c) any Bond in lieu of or in substitution for which another Bond shall have been issued pursuant to this Trust Agreement; or (d) Bonds deemed to have been paid as provided in Section 8.3 hereof.

“Owner” or **“Bond Owner”** or any similar term, when used with respect to the Bonds, means any person who shall be the registered owner of any Outstanding Bond.

“Participant” means any entity which is recognized as a participant by DTC, or any lawful successor depository for the Bonds, in the book-entry system of maintaining records with respect to book-entry Bonds.

“Payment Dates” mean May 1 and November 1, of each year so long as any of the Bonds are Outstanding, commencing November 1, 2018.

“Permitted Investments” means any of the following to the extent then permitted by the applicable laws and any investment policies of the Authority:

- (1) (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated

(collectively “United States Obligations”). These include, but are not necessarily limited to:

- U.S. Treasury obligations
All direct or fully guaranteed obligations
- Farmers Home Administration
Certificates of beneficial ownership
- General Services Administration
Participation certificates
- U.S. Maritime Administration
Guaranteed Title XI financing
- Small Business Administration
Guaranteed participation certificates
- Guaranteed pool certificates
- Government National Mortgage Association (GNMA)
GNMA-guaranteed mortgage-backed securities
GNMA-guaranteed participation certificates
- U.S. Department of Housing & Urban Development
Local authority bonds
- Washington Metropolitan Area Transit Authority
Guaranteed transit bonds

(2) Federal Housing Administration debentures.

(3) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
Senior debt obligations
- Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
Consolidated systemwide bonds and notes
- Federal Home Loan Banks (FHL Banks) Consolidated debt obligations
- Federal National Mortgage Association (FNMA) Senior debt obligations
Mortgage-backed securities (excluded are stripped mortgages securities which are purchased at prices exceeding their principal amounts)
- Student Loan Marketing Association (SLMA)
Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
- Financing Corporation (FICO) Debt obligations
- Resolution Funding Corporation (REFCORP) Debt obligations

- (4) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated "A-1" or better by S&P.
- (5) Deposits in the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.
- (6) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.
- (7) Money market funds rated at least "Aam" or "Aam-G" by S&P.
- (8) Repurchase agreements:
 - A. With (i) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "AA" by S&P and "Aa" by Moody's; (ii) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corp. (SIPC); or (iii) any other entity rated "AA" or better by S&P and "Aa" or better by Moody's, provided that:
 - i. The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "AA" and "Aa," respectively, rating in an "AA" and "Aa," respectively, rated structured financing (with a market value approach);
 - ii. Notice of any downgrade of such rating(s) must be provided to the Authority within three (3) business days of such occurrence;
 - iii. The Trustee or a third party acting solely as agent therefor or for the Authority ("Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);
 - iv. The repurchase agreement shall state, and an opinion of counsel is rendered at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

- v. All other requirements of S&P in respect of repurchase agreements shall be met; and
- vi. The repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3" respectively, the provider must repurchase all collateral and terminate the agreement, with no penalty or premium to the Authority or Trustee. Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (a) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.

(9) State Obligations, which means

- (a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.
- (b) Direct, general short-term obligations of any state agency or subdivision described in (a) above and rated "A-1+" by S&P and "Prime-1" by Moody's.
- (c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(10) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; provided, that, by the terms of the investment agreement:

- (a) interest payments are to be made to the Trustee at times and in amounts as necessary to pay principal and interest components on the Bonds;
- (b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Trustee and the Authority hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

- (c) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;
- (d) the Trustee or the Authority receive the opinion of domestic counsel that such investment agreement is legal, valid and binding and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Authority;
- (e) the investment agreement shall provide that if during its term (i) the provider's rating by either Moody's or S&P falls below "AA-" or "Aa3," respectively, the provider shall, at its option, within 10 days of receipt of notice of such downgrade, either (A) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Trustee, the Authority or a Holder of the Collateral, collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (B) repay the principal of and accrued but unpaid interest, on the investment, and (ii) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A3" or "A-," respectively, the provider must, within 10 days of such event, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Authority or Trustee;
- (f) the investment agreement shall state, and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of Collateral is in possession); and
- (g) the investment agreement must provide that if during its term (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Authority or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Authority or Trustee, as appropriate, and (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event

of insolvency”), the provider’s obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Authority or Trustee, as appropriate.

- (11) Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:
- (a) the municipal obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to prepay such municipal obligations other than as set forth in such instructions;
 - (b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;
 - (c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification”);
 - (d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;
 - (e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and
 - (f) the cash or the United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.
- (12) The Local Agency Investment Fund (LAIF) referred to in Section 16429.1 of the Government Code of the State of California to the extent the Trustee may deposit and withdraw funds directly.
- (13) The Los Angeles County Investment Pool provided the Authority may statutorily invest funds in such Investment Pool.
- (14) The California Asset Management Program (CAMP).

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

“Principal” or **“Principal Amount”** means, with respect to any Bond, the principal amount stated thereon.

“Principal Office” or **“Office of the Trustee”** means the main or principal corporate trust office of the Trustee in Los Angeles, California, or such other offices as the Trustee may designate to the Authority in writing from time to time, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“Project” means the construction and acquisition of all or a portion of those facilities and capital projects described in Exhibit “D,” attached hereto, subject to substitution thereof pursuant to Section 6.2 hereof and Exhibit “E.”

“Rating Agencies” means Moody’s and S&P, or any national rating agency then rating the Bonds at the request of the Authority.

“Rebate Fund” means the fund of that name established under, and held by the Trustee, pursuant to Section 3.9 of this Trust Agreement.

“Record Date” means the close of business on the fifteenth day of the calendar month preceding any Payment Date whether or not such day is a Business Day.

“Redemption Fund” means the fund of that name established under, and held by the Trustee, pursuant to Section 4.3 of this Trust Agreement, in which there is established an “Optional Redemption Account,” “Sinking Fund Redemption Account” and “Mandatory Redemption Account.”

“Regulations” or **“Treasury Regulations”** means any temporary, proposed or final regulations of the United States Department of Treasury with respect to obligations issued pursuant to Section 103 and Sections 141 to 150 of the Code.

“Rental Payments” means, individually or collectively, the Lease Payments, Reserve Replenishment Rent and Additional Rent.

“Representation Letter” shall have the meaning set forth in Section 2.15 hereof.

“Requisition” means a certificate executed by an Authority Officer and filed with the Trustee requesting disbursement from the Construction Fund or Costs of Issuance Fund, as applicable, in substantially the form set forth in Exhibit “C” hereto.

“Reserve Facility” means any line of credit, letter of credit, insurance policy, surety bond or other credit source deposited with the Trustee pursuant to Section 3.7 hereof.

“Reserve Fund” means the fund of that name established under, and held by the Trustee, pursuant to Section 3.7 of this Trust Agreement.

“Reserve Replenishment Rent” means the rental payments specified as such and made by the District pursuant to terms of the Lease Agreement.

“Reserve Requirement” means, as of the date of calculation, an amount equal to the least of: (i) 125% of average annual aggregate Lease Payments over the remaining term of the Lease Agreement; (ii) the maximum aggregate annual Lease Payments over the remaining term of the Lease Agreement; or (iii) 10% of the issue price of the Bonds, plus original issue premium/less original issue discount calculated in accordance with Treasury Regulations Section 1.148-2(f)(1).

“Responsible Officer” means any officer of the Trustee assigned to administer the trusts created under this Trust Agreement. The Trustee shall, at all times, have at least one Responsible Officer which shall be identified to the Authority in writing.

“Revenue Fund” means the fund of that name established under, and held by the Trustee, pursuant to Section 3.5 of this Trust Agreement, including the accounts therein.

“Revenues” means those revenues defined above under clauses (i), (ii), (iii), (iv) and (v) of the Pledge Clause of this Trust Agreement.

“Sinking Fund Payment” means the annual sinking fund payment to be deposited in the Sinking Fund Redemption Account of the Redemption Fund to redeem a portion of the Term Bond(s).

“Sinking Fund Payment Date” means the dates the Sinking Fund Payments are due on the Term Bond, as listed in Section 4.1(c) of this Trust Agreement.

“Site” means that certain parcel(s) of real property situated in the County of Los Angeles, State of California, and as described in the Lease Agreement, together with the improvements and fixtures thereon, and includes any Substituted Site under the Lease Agreement.

“Site Lease” means the Site Lease, dated as of _____ 1, 2018, or as of the date of recording, as applicable, entered into by and between the Authority and the District concerning the leasing of the Site and all authorized amendments to such Site Lease.

“S&P” or **“Standard & Poor’s”** means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such entity shall no longer perform the functions of a securities rating agency for any reason, then the terms “S&P” and “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

“State” means the State of California.

“Tax Certificate” means the Tax and Non-Arbitrage Certificate executed by the Authority at the time of issuance of the Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may be amended from time to time.

“Term Bond(s)” means those Bonds with mandatory sinking fund redemption dates on May 1, 20____ and May 1, 20____.

“Total Rent” means, collectively, the Lease Payments, Additional Rent and Reserve Replenishment Rent.

“Trust Agreement” means this Trust Agreement, dated as of _____ 1, 2018, between the Trustee and the Authority, and any duly authorized and executed amendments thereto.

“Trustee” means ZB, National Association dba Zions Bank, a national banking association, organized and existing under the laws of the United States of America, or its duly qualified and appointed successor acting as Trustee under this Trust Agreement.

“Written Request of the Authority” means an instrument in writing signed by an Authority Representative.

“Written Request of the District” means an instrument in writing signed by a District Representative.

“Yield” means that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments (as defined in the Tax Certificate) which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or the Bonds produces an amount equal to the purchase price of such Nonpurpose Investment or the Bonds, as the case may be, all computed as prescribed in the applicable Regulations.

1.3 Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context clearly otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Trust Agreement, refer to this Trust Agreement.

1.4 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 of this Trust Agreement by the officers and persons signing it.

1.5 Equal Security. In consideration of the acceptance of the Bonds by the Owners, this Trust Agreement shall be deemed to be and shall constitute a contract between the Trustee and the Owners to secure the full and final payment of the interest and Principal represented by the Bonds which may be issued hereunder, subject to each of the agreements, conditions, covenants and terms contained herein; and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Trustee shall be for the equal and proportionate benefit, protection and security of all Owners, without distinction,

preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of issuance thereof or for any cause whatsoever, except as expressly provided herein or therein. All of the Bonds are equally secured as provided in this Section 1.5 except as may be otherwise expressly provided in this Trust Agreement.

ARTICLE II: THE BONDS: TERMS AND PROVISIONS

2.1 Authorization and Designation of Bonds. This Trust Agreement provides for the authorization of the Series 2018 Bonds of the Authority. The Series 2018 Bonds shall be designated “**William S. Hart Joint School Financing Authority Lease Revenue Bonds, Series 2018.**” The Trustee is hereby authorized and directed to register, authenticate and deliver, to the original purchasers thereof, the Series 2018 Bonds in an aggregate initial Principal Amount of \$ _____.

2.2 Assignment of Rights in Lease Agreement. The Authority has, pursuant to the Assignment Agreement, assigned and set over to the Trustee certain of its rights in the Site Lease and the Lease Agreement, including, but not limited to, all of the Authority’s rights to receive and collect all of the Lease Payments, Reserve Replenishment Rent and prepayments of Lease Payments and all other amounts required to be deposited in the Revenue Fund pursuant to the Lease Agreement or pursuant hereto. All Lease Payments, Reserve Replenishment Rent and prepayments of Lease Payments and such other amounts to which the Authority may at any time be entitled shall be paid directly to the Trustee, and all of the Lease Payments, Reserve Replenishment Rent and prepayments of Lease Payments collected or received by the Authority shall be deemed to be held and to have been collected or received by the Authority as the agent of the Trustee, and if received by the Authority at any time shall be deposited by the Authority with the Trustee within one Business Day after the receipt thereof, and all such Lease Payments, Reserve Replenishment Rent and prepayments of Lease Payments and such other amounts shall be forthwith deposited by the Trustee upon the receipt thereof in the Revenue Fund, the Reserve Fund or the Redemption Fund as provided herein.

2.3 Security Interest in Moneys and Funds. The Authority and the District, as their respective interests may appear, hereby expressly grant to the Trustee for the benefit of the Owners a first lien on and a security interest in all Revenues deposited with, or held by, the Trustee under this Trust Agreement (except only the Construction Fund, Costs of Issuance Fund, and the Rebate Fund and any moneys to be deposited therein, or interest earnings thereon, including, without limitation, the Bond Fund, Revenue Fund, the Reserve Fund (including payments of Reserve Replenishment Rent received pursuant to Section 3.7(j) hereof), the Redemption Fund, and the Insurance and Condemnation Fund, and all such moneys shall be held by the Trustee in trust and applied to the respective purposes specified herein and in the Lease Agreement. The Authority and the Trustee covenant and agree to take such action as is necessary from time to time to preserve the priority of the pledge of the Revenues on deposit in the funds and accounts established under the Trust Agreement (except only the Construction Fund, Costs of Issuance Fund, and the Rebate Fund and any moneys to be deposited therein, or interest earnings thereon) under applicable law.

2.4 Pledge of Revenues. The Revenues are hereby irrevocably pledged to and shall be used for the punctual payment of Principal of and interest on the Bonds, and the Revenues

shall not be used for any other purpose while any of the Bonds remain Outstanding. This pledge shall constitute a first and exclusive lien on the Revenues in accordance with the terms hereof.

2.5 Terms of Bonds. The Bonds shall be issued in one series designated “**William S. Hart Joint School Financing Authority Lease Revenue Bonds, Series 2018.**”

The Series 2018 Bonds shall be issued as fully registered bonds, without coupons, in book-entry form as set forth in Section 2.15 hereof, in Authorized Denominations.

2.6 Description of Bonds; Payment.

(a) Series 2018 Bonds. The Bonds shall be dated the Dated Date, shall be paid on the dates and in the Principal amounts and interest with respect thereto as shown in Exhibit “A.”

The Bonds shall be in substantially the form set forth in Exhibit “B” hereto. The Bonds will be issued in fully registered form, without coupons, in the denomination of \$5,000 each or any integral multiple thereof.

Interest on each Bond shall be payable at the respective per annum rates set forth above and shall be payable on each Payment Date until maturity or earlier redemption, computed using a year of 360 days comprised of twelve 30-day months. Principal of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest on any Bond shall be payable from the Payment Date next preceding the date of authentication thereof, unless: (i) it is authenticated on or before a Payment Date and after the close of business on the preceding Record Date, in which event interest shall be payable from such Payment Date; or (ii) it is authenticated prior to the first Record Date, in which event interest thereon shall be payable from the Dated Date; provided, however, that if on the date of authentication of any Bond interest thereon is in default, interest thereon shall be payable from the Payment Date to which interest has previously been paid or made available for payment or if no interest has been paid or made available for payment, from the Dated Date.

(b) Bond Payments. Interest on each Outstanding Bond shall be payable on each Payment Date to the Owner thereof as of the close of business on the Record Date immediately preceding each Payment Date, such interest to be paid by check of the Trustee, mailed by first-class mail to the Owner at his address as it appears on the Bond Register (or such other address as is furnished to the Trustee in writing by the Owner). An Owner of \$1,000,000 or more in Principal Amount of Bonds may be paid by wire transfer in immediately available funds to an account in the United States of America if the Owner makes a written request of the Trustee prior to the Record Date preceding such Payment Date specifying the account address. The notice may provide that it will remain in effect for subsequent interest payments until changed or revoked by another written notice. Payments of defaulted interest shall be paid by check of the Trustee mailed by first-class mail to the registered Owners of the Bonds as of a special record date to be fixed by the Trustee in its sole discretion, notice of which shall be given to the Owners of the Bonds not less than ten days prior to such special record date. The Bonds are payable as to Principal upon surrender thereof at the Office of the Trustee. The Principal of and interest on the Bonds, as applicable, shall be payable by check in lawful money of the United States of America.

2.7 Signatures; Authentication.

(a) The Bonds shall be signed in the name of the Authority by the manual or facsimile signature of the President or Vice President of the Authority and attested by the facsimile or manual signature of its Secretary or Treasurer, or an Assistant Secretary or an Assistant Treasurer, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been executed and delivered, such Bonds may, nevertheless, be executed and delivered as herein provided, and may be issued as if the persons who signed such Bonds had not ceased to hold such offices. Any Bond may be signed on behalf of the Authority by such persons as at the time of the execution of such Bond shall be duly authorized or hold the proper office in the Authority, although at the date borne by such Bond such person may not have been so authorized or have held such office.

(b) The Bonds shall bear thereon a certificate of authentication, in the form set forth herein, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Trust Agreement, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Trust Agreement and that the Owner thereof is entitled to the benefits of this Trust Agreement.

(c) CUSIP[®] identification numbers shall be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of the purchaser to accept delivery of and pay for the Bonds. In addition, failure on the part of the Authority to use such CUSIP[®] numbers in any notice to Owners of the Bonds shall not constitute an event of default or any violation of the Authority's contract with such Owners and shall not impair the effectiveness of any such notice.

2.8 Transfer of Bonds.

- (a) (i) Each Series 2018 Bond shall be transferable only upon the Bond Register which shall be kept for that purpose at the Office of the Trustee, by the registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered Owner or his duly authorized attorney. Upon the transfer of any such Series 2018 Bond, the Trustee shall provide in the name of the transferee, a new Series 2018 Bond, or Series 2018 Bonds, of the same aggregate Principal Amount and maturity as the surrendered Series 2018 Bonds (unless there has occurred a partial redemption of such Series 2018 Bond pursuant to subsections (a) or (b) of Section 4.1, or Section 4.2 hereof, in which case the Principal Amount of the new Series 2018 Bond shall be equal to the unredeemed Principal portion of the Series 2018 Bond submitted for transfer).

(ii) Series 2018 Bonds may be exchanged at the Office of the Trustee for a like aggregate Principal Amount of Series 2018 Bonds of other Authorized Denominations of the same maturity and interest rate.

(b) The Trustee shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority or the Trustee shall be affected by any notice to the contrary. The Authority agrees to indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by the Trustee, acting in good faith and without negligence hereunder, in so treating such registered Owner.

2.9 Regulation with Respect to Exchange and Transfer. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Article II. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority and the Trustee may make a charge sufficient to reimburse any of them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Trust Agreement, the cost of preparing each new Bond and any other expenses of the Authority or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge other than one imposed by the Authority) shall be paid by the Authority. The Trustee shall not be obliged to make any exchange or transfer of Bonds during the 15 days next preceding any date fixed for the selection of Bonds for redemption or after a Bond has been selected for redemption.

2.10 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Trustee, at the expense of the Owner of said Bond, shall authenticate and deliver a new Bond of like tenor and Principal amounts in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and, if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Bond Owner, shall execute and deliver, a new Bond of like tenor and numbered as the Trustee shall determine in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a reasonable fee for each new Bond delivered under this Section 2.10 and of the reasonable expenses which may be incurred by the Trustee in carrying out the duties under this Section 2.10. Any Bond authenticated and delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds secured by this Trust Agreement. The Trustee shall not be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the Principal amount of Bonds which may be issued hereunder or for the purpose of

determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same. Notwithstanding any other provision of this Section 2.10, in lieu of delivering a new Bond for a Bond which has been mutilated, lost, destroyed or stolen and which has matured, the Trustee may make payment of such Bond upon delivery of indemnity satisfactory to the Trustee.

2.11 Bond Register. The Trustee shall keep, or cause to be kept at the Office of the Trustee, a Bond Register, which shall at all times upon reasonable notice be open to inspection by the District and the Authority; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations consistent herewith as it may prescribe, register or transfer or cause to be registered or transferred, on the Bond Register, Bonds as herein provided.

2.12 Nonpresentment of Bonds; Unclaimed Moneys. In the event a Bond shall not be presented for payment when the Principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if moneys sufficient to pay the Principal of and interest on such Bond shall have been deposited in the Bond Fund or the Redemption Fund, all liability of the Authority to the Owner thereof for the payment of such Bond shall forthwith cease and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his part under this Trust Agreement or on, or with respect to, such Bond. To the extent permitted by applicable law, any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds, if any, within the period ending the earlier of 10 Business Days before such funds would escheat to the State or two years after the date on which the same shall have become due shall be paid by the Trustee to the Authority and thereafter Owners shall be entitled to look only to the Authority for payment, and then only to the extent of the amount so repaid, and the Authority shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

2.13 Temporary Bonds. Pending preparation of the definitive Bonds, any Bonds delivered under this Trust Agreement may be initially delivered in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be without coupons and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Bond shall be executed by the Trustee and be authenticated and delivered by the Trustee upon the same conditions and in substantially the same manner as definitive Bonds. If the Trustee delivers temporary Bonds, it shall authenticate and furnish definitive Bonds without delay and, thereupon, the temporary Bonds shall be surrendered for cancellation at the Office of the Trustee and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate Principal Amount of definitive Bonds of Authorized Denominations of the same interest rate or rates and maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds delivered pursuant hereto.

Whenever provision is made herein for the surrender or cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee shall, in lieu of such delivery, destroy

such Bonds and upon Written Request of the Authority, deliver a certificate of such destruction to the Authority, unless otherwise requested in writing by the Authority Representative.

2.14 Evidence of Signatures of Bond Owners and Ownership of Bonds. Any requests, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Bond Owners may be in any number of concurrent instruments of a similar tenor, and may be signed or executed by such Bond Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the holding and ownership of Bonds shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

The fact and date of the execution by any Bond Owner or his 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 take 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 his authority.

Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which to the Trustee may seem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done or suffered to be done by the Authority or the Trustee pursuant to such request or consent.

2.15 Book-Entry. The Bonds are to be held in book-entry form, the Bonds shall be initially executed and delivered in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon execution and delivery, the ownership of such Bond shall be registered in the Bond Register in the name of the Nominee identified below as nominee of DTC.

Except as hereinafter provided, all of the outstanding Bonds shall be registered in the Bond Register in the name of the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section ("Nominee").

With respect to the Bonds registered in the Bond Register in the name of the Nominee, neither the Authority nor the Trustee shall have any responsibility or obligation to any broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository ("Participant") or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the Authority nor the Trustee shall have any responsibility or obligation (unless the Authority is at such time the Depository) with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of

redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be prepaid in the event the Authority redeems the Bonds in part, (iv) the payment to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any amount with respect to Principal of, or premium, or interest evidenced by the Bonds, or (v) any consent given or other action taken by the Depository as Owner.

The Authority and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Registrar as the holder and absolute Owner of such Bond for the purpose of payment of Principal or premium and interest evidenced by such Bond, for the purpose of selecting any Bonds, or portions thereof, to be prepaid, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, for the purpose of obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and the Authority and the Trustee shall not be affected by any notice to the contrary.

The Trustee shall pay all Principal and interest evidenced by the Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the State) the respective Owner of a Bond, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority’s obligations with respect to payment of Principal of and interest evidenced by the Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Bond, as shown in the Bond Register, shall receive Principal and interest evidenced by the Bonds. Upon delivery by the Depository to the Owners of the Bonds, and the Authority of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Date, the word “Nominee” in this Trust Agreement shall refer to such nominee of the Depository.

In the event of a redemption of all or a portion of a Bond, the Depository in its discretion, (a) may request the Trustee to prepare and execute and deliver a new Bond, or (b) if DTC is the sole Owner of such Bond, shall make an appropriate notation on the Bond indicating the date and amounts of such reduction in Principal, except in the case of final payment in which case such Bond must be presented to the Trustee prior to payment.

In order to qualify the Bonds for the Depository’s book-entry system, the Authority is executing and delivering to the Depository a representation letter in the form prescribed by Depository (“Letter of Representations”). The execution and delivery of the Letter of Representations shall not in any other way limit the provisions of this Section or in any other way impose upon the Authority any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners of the Bonds, as shown on the Bond Register. In addition to the execution and delivery of the Letter of Representations, the Authority shall take such other actions, consistent with this Trust Agreement, as are reasonably necessary to qualify the Bonds for the Depository’s book-entry program.

In the event the Authority determines that it is in the best interests of the Beneficial Owners that they are able to obtain Bonds and that such Bonds should therefore be made available and notifies the Depository and the Trustee of such determination, the Depository will notify the Participants of the availability through the Depository of certificated Bonds. In such

event, the Trustee shall transfer and exchange certificated Bonds as requested by the Depository and any other Owners in appropriate amounts. In the event (i) the Depository determines not to continue to act a securities depository for the Bonds, or (ii) the Depository shall no longer so act and gives notice to the Authority of such determination, then the Authority will discontinue the book-entry system with the Depository. If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate, fully registered Bond, per maturity, registered in the name of such successor or substitute qualified securities depository or its nominee. If the Authority fails to identify another qualified securities depository to replace the Depository then the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the Nominee, but shall be registered in whatever name or names owners of the Bonds transferring or exchanging Bonds shall designate, in accordance with provisions of Section 2.8, hereof, and the Authority shall prepare and deliver Bonds to the owners thereof for such purposes. Whenever the Depository requests the Authority to do so, the Authority will cooperate with the Depository in taking appropriate action after reasonable notice (i) to make available one or more separate Bonds evidencing the book-entry Bonds to any Participant having book-entry Bonds credited to its account with the Depository, and (ii) to arrange for another securities depository to maintain custody of Bonds evidencing the book-entry Bonds.

Notwithstanding any other provisions of this Trust Agreement to the contrary, so long as DTC is the sole Owner of the Bonds, so long as any book-entry Bond is registered in the name of the Nominee, all payments of Principal of, premium, if any, and interest evidenced by such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Letter of Representations or as otherwise instructed by the Depository.

In connection with any notice or other communication to be provided to Owners pursuant to the Trust Agreement by the Authority or the Trustee, with respect to any consent or other action to be taken by Owners, the Trustee shall establish a record date for such consent or other action and give the Depository notice of such record date not less than 15 calendar days in advance of such record date to the extent possible. Notice to the Depository shall be given only when DTC is the sole Owner of the Bonds.

ARTICLE III: ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS

3.1 Application of Proceeds and Other Moneys. The proceeds received by the Trustee in connection with the original sale of the Series 2018 Bonds shall be deposited by the Trustee in the following respective funds and accounts on the Delivery Date:

(a) [The Trustee shall deposit \$_____ of the proceeds of the Series 2018 Bonds into the Reserve Fund, representing the Reserve Requirement.]

(b) The Trustee shall deposit \$_____ (which amount represents certain Costs of Issuance) of the proceeds of the Series 2018 Bonds into the Costs of Issuance Fund.

(c) The Trustee shall deposit \$_____ of the proceeds of the Series 2018 Bonds into the Construction Fund.

3.2 Establishment and Application of Construction Fund.

(a) There is hereby established with the Trustee a special fund in trust designated as the "Construction Fund." The Trustee shall, on the Delivery Date, deposit \$_____ in the Construction Fund, and shall keep such Construction Fund, and accounts therein, separate and apart from all other funds and accounts held by it, and shall administer such fund and accounts as provided in this Section 3.2.

(b) The Trustee shall disburse amounts on deposit in the Construction Fund to pay Construction Costs with respect to the Project, as further described in Exhibit "D" hereto, upon receipt of a properly executed Requisition in the form set forth in Exhibit "C" hereto. Provided that the Trustee receives such form(s) and complies with the provisions of this Section 3.2, the Trustee shall have no obligation to, or liability for, monitoring the actual use of the funds so disbursed under this section. Each such Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default (as set forth in Section 10.01 of the Lease Agreement), the Trustee shall, upon receipt of notice thereof, cease to disburse funds from the Construction Fund until such Event of Default has been cured or satisfied. If such Event of Default shall not be cured, as set out in this Trust Agreement, any funds remaining in the Construction Fund may be applied to the redemption of Outstanding Bonds if so required under the provisions of Article IV hereof.

(c) Upon the Completion Date (as confirmed in the Certificate of Completion filed with the Trustee), the Trustee shall, at the direction of the Authority given in writing, transfer any amounts remaining in the Construction Fund (other than amounts necessary to pay Construction Costs (or Costs of Issuance) not then due and payable as certified by the Authority) into the Reserve Fund in an amount necessary to satisfy the Reserve Requirement, if any, and to the extent not so required, the Trustee shall transfer the remaining funds to the Bond Fund and thereafter close the Construction Fund. Funds so transferred to the Bond Fund shall be used to pay Principal and interest on the Bonds on the next occurring Payment Date. Upon such transfer, the Trustee shall provide written notice to the Authority of the amount of such transfer.

(d) In the event any amounts are remaining in the Construction Fund after _____, 2021, the Authority shall thereafter direct the Trustee to invest funds in the Construction Fund in Permitted Investments with a yield not in excess of the Yield on the Series 2018 Bonds (unless and to the extent such amounts are invested in obligations the interest on which is excluded from gross income for federal income tax purposes).

3.3 Establishment and Application of Costs of Issuance Fund.

(a) There is hereby established with the Trustee a separate fund designated as the "Costs of Issuance Fund." The Trustee shall, on the Delivery Date, deposit \$_____ in the Costs of Issuance Fund and shall maintain such fund as set forth in subsection (c) hereof. Interest earnings on amounts in such fund shall be retained therein and used for the purposes set forth herein.

(b) The Trustee shall disburse funds from the Costs of Issuance Fund for Costs of Issuance upon receipt of an executed Requisition substantially in the form of Exhibit “C” and approved by an Authority Representative.

(c) Upon the earlier of: (i) payment in full of all Costs of Issuance, which shall be determined by a certificate to the Trustee to that effect by a Authority Representative, (ii) the Completion Date, or (iii) _____, 2019, the Trustee shall transfer all funds remaining in the Costs of Issuance Fund to: (i) the Reserve Fund (if necessary to replenish the Reserve Fund to the Reserve Requirement); (ii) the Construction Fund; and (iii), if any funds thereafter remain, the Bond Fund. Upon the occurrence of such transfer, the Trustee shall then close the Costs of Issuance Fund.

3.4 Establishment and Application of Bond Fund.

(a) General. There is hereby established with the Trustee in trust a special fund designated the “Bond Fund,” which shall be held by the Trustee and which shall be kept separate and apart from all other funds and money held by the Trustee. The Trustee shall administer such fund as provided in this Article III. The Bond Fund shall be maintained by the Trustee until all required Lease Payments are paid in full pursuant to the terms of the Lease Agreement, or until such Payment Date as there are no Bonds Outstanding. Within the Bond Fund, the Trustee shall establish the “Interest Account” and the “Principal Account.”

(b) Interest Account and Principal Account. Moneys transferred to the Interest Account and the Principal Account pursuant to Section 3.5 hereof shall be applied by the Trustee to the payment of interest accrued and Principal due and payable on the Bonds for which such deposit or transfer was made on any Payment Date therefor.

(c) If on any Payment Date the amount of funds on hand in the Bond Fund is insufficient to pay the full amount of Principal and interest accrued due and payable on the Bonds, the Trustee shall apply such funds first to the payment of interest accrued past due, *pro rata*, if necessary, and second to the payment of Principal past due, *pro rata*, if necessary.

(d) If on any Payment Date the amount of funds on hand in the Bond Fund is sufficient to pay the full amount of the interest accrued and Principal due and payable on the Bonds, and the Trustee shall fail to pay such Principal and accrued interest so due and payable on such Payment Date, the District and the Authority may, jointly or individually, immediately thereupon pursue any and all of their respective legal remedies to compel the Trustee to comply with the applicable terms and conditions of this Trust Agreement in such respect. This subsection shall not be in derogation of any other rights any party may have to pursue any other legal remedies that each party may have under the terms hereof.

3.5 Establishment and Application of Revenue Fund.

(a) There is hereby established with the Trustee a special fund designated as the “Revenue Fund.”

All Lease Payments received by the Trustee pursuant to the terms of the Lease Agreement shall be deposited into the Revenue Fund. The Trustee shall transfer on each

Payment Date from the Revenue Fund to the Interest Account of the Bond Fund an amount which, together with any amount on deposit therein, equals the interest then due on such Payment Date on the Bonds in accordance with the terms of this Trust Agreement. The Trustee shall transfer on each maturity date for the Bonds from the Revenue Fund to the Sinking Fund Redemption Account of the Redemption Fund, or the Principal Account of the Bond Fund, as applicable, an amount which, together with any amount on deposit therein, equals the Principal then due on such maturity date with respect to the Bonds in accordance with the terms of this Trust Agreement.

All delinquent Lease Payments received pursuant to the Lease Agreement and any proceeds of rental interruption insurance with respect to the Site, if any, received by the Trustee shall be deposited into the Revenue Fund. All proceeds of rental interruption insurance and delinquent Lease Payments so received shall be applied first to the payment of overdue installments of interest, then to the payment of any overdue installments of Principal and then to make up any deficiency in the Reserve Fund. Any amounts remaining in the Revenue Fund on each Payment Date or maturity date which are not required for the payment of Principal or interest on the next succeeding Payment Date or maturity date shall be first transferred to the Reserve Fund to the extent necessary to make the amount on deposit therein equal to the Reserve Requirement and, second, applied as a credit against the next following Lease Payment, including any remaining money representing delinquent Lease Payments and any proceeds of rental interruption insurance, which shall remain on deposit in the Revenue Fund.

The Revenue Fund shall be maintained by the Trustee until all Lease Payments due under the Lease Agreement have been paid by the District. Lease Payments paid by the District, as well as any liquidated damages, proceeds of rental interruption insurance maintained by the District, and any other amounts required by the Lease Agreement shall be deposited by the Trustee in the Revenue Fund and applied to the payment of Lease Payments or to make up any deficiency in the Reserve Fund as hereinafter set forth.

(b) Moneys available in the Reserve Fund, or amounts available under the Reserve Facility, shall be transferred to the Revenue Fund and used to satisfy deficiencies and to make other payments pursuant to Section 3.7.

(c) Any funds remaining in the Revenue Fund after payment of all Outstanding Bonds, pursuant to the provisions hereof, including accrued interest and payment of applicable fee amounts to the Trustee, or provision made therefor satisfactorily to the Trustee, and all other charges against the Revenue Fund have been satisfied shall be withdrawn by the Trustee and remitted to the Authority.

3.6 Establishment and Application of Insurance and Condemnation Fund. If the Site or any portion thereof shall be damaged, destroyed, stolen or shall be taken by eminent domain proceedings, the Authority shall take all necessary actions pursuant to the respective Lease Agreement to cause the District to continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the District elects not to repair or replace the Site or any portion thereof in accordance with the provisions of this Section 3.6. There is hereby established with the Trustee a special trust fund designated as the “Insurance and Condemnation Fund.” All Net Proceeds of any insurance or condemnation award with respect to the Site (other

than proceeds of rental interruption insurance, which shall be deposited into the Revenue Fund) which are received by the Trustee shall be deposited in the Insurance and Condemnation Fund. The District Representative shall, within 120 days of the deposit of Net Proceeds with the Trustee, file a Certificate of the District with the Trustee and the Trustee shall apply and disburse the Net Proceeds as follows:

(a) Application of Net Proceeds of Insurance.

(i) If the District files a Certificate of the District with the Trustee stating that such Net Proceeds are to be utilized for the repair, replacement, restoration, modification or improvement of a damaged or destroyed portion of the Site and that sufficient funds have been appropriated in an amount which, together with the Net Proceeds, will be equal to the total cost of the proposed repair, replacement, restoration, modification or improvement, then the District shall cause the Site to be repaired, replaced, restored, modified or improved to at least the same good order, repair and condition as it was in prior to the damage or destruction, insofar as the same may be accomplished by the use of said funds and Net Proceeds. The Trustee shall disburse said Net Proceeds from time to time upon receiving a Certificate of the Authority stating that the District has expended moneys or incurred liabilities in an amount equal to the amount therein requested to be paid over to it for the purpose of such repair, replacement, restoration, modification or improvement, specifying the purposes for which such moneys were expended, or such liabilities were incurred. Each Certificate of the District or Certificate of the Authority, as applicable, shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(ii) If the District files a Certificate of the District with the Trustee stating that repair, replacement, restoration, modification or improvement of the damaged or destroyed portion of the Site is not economically feasible or in the best interests of the District and that such Net Proceeds are to be applied to the prepayment of a portion of the Lease Payments and redemption of the Bonds in part, the Trustee shall transfer such Net Proceeds to the Mandatory Redemption Account of the Redemption Fund, to be applied to the redemption of the Bonds in accordance with Section 4.1(b) hereof.

(iii) If the District files a Certificate of the District with the Trustee stating that such a substantial portion of the Site has been damaged or destroyed that repair, replacement, restoration, modification or improvement of the Site is not economically feasible or in the best interests of the District and that such Net Proceeds are to be applied to the prepayment of the Lease Payments and redemption of all of the Outstanding Bonds, and if there are sufficient funds for such redemption as required by Section 4.1(b), the Trustee shall transfer such Net Proceeds to the Mandatory Redemption Account of the Redemption Fund to be applied to the redemption of Bonds in accordance with of Section 4.1(b) hereof.

(b) Application of Net Proceeds of Condemnation Award.

(i) If the District files a Certificate of the District with the Trustee stating that such eminent domain proceedings have not materially affected the operation of the Site or the ability of the District to meet any of its obligations under the Lease Agreement,

and that the District has determined that such Net Proceeds are needed for the repair or rehabilitation of the Site, the Trustee shall pay to the District, or to its order, from said Net Proceeds, such amounts as the District may expend for such repair or rehabilitation, upon receipt of a Certificate of the Authority stating that the District has incurred liabilities in an amount equal to the amount requested in order for the District to cause the Site to be repaired, replaced or improved to at least the same good order, repair and condition as it was in prior to the eminent domain proceedings, insofar as the same may be accomplished with said Net Proceeds. Each Certificate of the District or Certificate of the Authority, as applicable, shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(ii) If the District files a Certificate of the District with the Trustee stating that repair or rehabilitation of the Site taken in such eminent domain proceedings is not economically feasible or in the best interests of the District and that such Net Proceeds are to be applied to the prepayment of a portion of the Lease Payments and redemption of the Bonds in part, the Trustee shall transfer such Net Proceeds to the Mandatory Redemption Account of the Redemption Fund to be applied to the redemption of Bonds in accordance with Section 4.1(b) hereof.

(iii) If the District files a Certificate of the District with the Trustee stating that such eminent domain proceedings have materially affected the operation of the Site as a whole, or the ability of the District to meet any of its obligations under the Lease Agreement, and if there are sufficient funds for such redemption as required by Section 4.1(b), then the Trustee shall transfer such Net Proceeds to the Mandatory Redemption Account of the Redemption Fund to be applied to the redemption of all of the Outstanding Bonds in the manner provided in Section 4.1(b) hereof.

(c) The Trustee may be furnished, at the Authority's expense, the report of an independent architect or other independent consultant in order to concur with and verify the conclusions of the Certificate of the District stated in any certificate submitted to the Trustee pursuant to the terms of this Section 3.6, or to make any determination with respect to the application of such Net Proceeds.

3.7 Establishment and Application of Reserve Fund; Application of Reserve Fund in Event of Deficiency in Revenue Fund.

(a) There is hereby established with the Trustee a special trust fund designated as the "Reserve Fund." [On the Delivery Date, the initial Reserve Requirement of the Reserve Fund shall initially be funded with _____.] The Trustee shall keep the Reserve Fund separate and apart from all other funds and moneys held by it, and shall administer the Reserve Fund as provided in this Section 3.7.

(b) The Authority may initially deposit into the Reserve Fund a Reserve Facility in order to fully or partially satisfy the Reserve Requirement, and may substitute a Reserve Facility for all or part of the moneys on deposit in the Reserve Fund, by depositing such Reserve Facility with the Trustee so long as, at the time of such initial deposit or substitution, the amount of funds on deposit in the Reserve Fund, together with the amount available under such Reserve Facility and any previously substituted Reserve Facilities, shall be at least equal to the Reserve

Requirement; provided, however, that prior to any such substitution, the Trustee shall have received written confirmation from the Rating Agencies that such substitution would not cause such Rating Agencies to lower or withdraw its rating then in effect with respect to the Bonds. [The Authority shall not substitute any Reserve Facility in lieu of all or any portion of moneys on deposit in the Reserve Fund without the prior written consent of the Insurer (so long as the Insurer is not in default in its payment obligations under the Insurance Policy).] Moneys for which a Reserve Facility has been substituted as provided herein shall be transferred, at the election of the Authority, to the Revenue Fund, or upon receipt of an Opinion of Bond Counsel to the effect that such transfer, in and of itself, will not adversely affect the exclusion of Principal and interest accrued due on the Bonds from gross income for federal income tax purposes, to a special account to be held by the Trustee and applied to the payment of capital costs of the Authority, as directed in a Written Request of the Authority. Any amounts paid pursuant to any Reserve Facility shall be deposited in the Reserve Fund. Moneys in the Reserve Fund and any Reserve Facility shall be held in trust by the Trustee and shall be used and disbursed only for the purposes and uses herein authorized.

(c) Amounts on deposit in the Reserve Fund which were not derived from payments under any Reserve Facility credited to the Reserve Fund to satisfy a portion of the Reserve Requirement shall be used and withdrawn by the Trustee prior to using and withdrawing any amounts derived from payments under any such Reserve Facility. In order to accomplish such use and withdrawal of such amounts not derived from payments under any such Reserve Facility, the Trustee shall, as and to the extent necessary, liquidate any investments purchased with such amounts. If and to the extent that, more than one Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Requirement, drawings thereunder, and repayment of expenses with respect thereto, shall be made on a *pro rata* basis (calculated by reference to the policy limits available thereunder). The Authority shall repay any draws under the Reserve Facility through the payment of Reserve Replenishment Rent and pay all related reasonable expenses incurred by the provider of the Reserve Facility as agreed with the provider and in accordance with the terms of the Reserve Facility.

Notwithstanding anything to the contrary set forth in this Trust Agreement, if, on any Payment Date, the amount on deposit in the Revenue Fund is insufficient to pay the Principal and interest accrued on the Bonds on such Payment Date, the Trustee shall transfer from the Reserve Fund and deposit in the Revenue Fund an amount sufficient to make up such deficiency. If a Reserve Facility is credited to the Reserve Fund to satisfy all or a portion of the Reserve Requirement, the Trustee shall make a claim for payment under such Reserve Facility, in accordance with the provisions thereof, in an amount which, together with other available moneys in the Reserve Fund, will be sufficient to make said deposit in the Revenue Fund.

Moneys, if any, on deposit in the Reserve Fund shall be withdrawn and applied by the Trustee for the final payments of Principal and interest accrued on the Bonds.

(d) In the event of any transfer from the Reserve Fund or the making of any claim under any Reserve Facility, the Trustee shall, within five Business Days thereafter, provide written notice to the Authority, the District [and Insurer] of the amount and the date of such transfer or claim.

(e) If there are no amounts currently due under any Reserve Facility and the sum of the amount on deposit in the Reserve Fund, plus the amount available under any Reserve Facilities, shall be reduced below the Reserve Requirement, the first of Lease Payments thereafter received from the District under the Lease Agreement and not needed to pay the Principal and interest accrued on the Bonds on the next Payment Date, shall be used, first, to reinstate the amounts available under the Reserve Facilities that have been drawn upon and, second, to increase the amount on deposit in the Reserve Fund, so that the amount available under the Reserve Facilities, when added to the amount on deposit in the Reserve Fund, shall equal the Reserve Requirement.

(f) If, as a result of the payment of Principal and interest accrued on the Bonds or otherwise, the Reserve Requirement is reduced, the Trustee shall transfer, on or before each Due Date, the amounts on deposit in the Reserve Fund in excess of such reduced Reserve Requirement to the Construction Fund until the Completion Date and thereafter to the Revenue Fund.

(g) Interest earned on moneys on deposit in the Reserve Fund, including interest earned on a Reserve Facility, shall be retained in such fund, except that any such earnings that cause the balance therein to exceed the Reserve Requirement shall be transferred, by the Trustee, on or prior to each Due Date, to the Construction Fund until the Completion Date and thereafter to the Revenue Fund.

(h) On any date on which Bonds are defeased in accordance with Section 8.3 hereof, the Trustee shall, if so directed in a Written Request of the Authority, transfer any moneys in the Reserve Fund in excess of the Reserve Requirement resulting from such defeasance to the entity or fund so specified in such Written Request of the Authority, to be applied to such defeasance.

(i) For purposes of determining the amount on deposit at any time in the Reserve Fund, the Trustee shall quarterly review all Permitted Investments in which funds on deposit in the Reserve Fund are invested and on or before each Due Date, determine the market value of such Permitted Investments (exclusive of accrued interest but inclusive of any commissions). To the extent the Trustee is required to make any valuations of investments hereunder, the Trustee may utilize any computerized pricing services as may be available to it, including those on its regular accounting system and conclusively rely thereon.

(j) All moneys paid to the Trustee, as assignee of the Authority, as Reserve Replenishment Rent pursuant to Section 5.01(b) of the Lease Agreement, shall be deposited into the Reserve Fund and shall thereafter be held and applied as provided in this Section 3.7. There shall be no moneys in the Reserve Fund applied to the payment of any fees due to the Trustee under Section 5.2 hereof or Section 5.01(c)(2) of the Lease Agreement except as provided in Section 7.7 hereof.

3.8 Deposit and Investment of Moneys in Funds and Accounts; Statements.

(a) Subject to the provisions set forth below, all moneys held by the Trustee in any of the funds or accounts established pursuant to this Trust Agreement shall be invested in Permitted Investments pursuant to written directions from the Authority received at least two Business Days before the investment date. In the absence of a Written Request of the Authority for

investment of funds or accounts hereunder in specified Permitted Investments, the Trustee shall invest solely in Permitted Investments set forth in subparagraph (7) of the definition thereof: provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction from the Authority specifying a specific money market fund to be utilized and, if no such written direction from the Authority is so received, the Trustee shall hold such moneys uninvested. All Permitted Investments purchased hereunder shall be registered in the name of the Trustee in its capacity as Trustee under this Trust Agreement.

(b) All investment earnings received with respect to the Revenue Fund shall be retained therein and applied as a credit against the Lease Payments due by the District under the Lease Agreement. The Trustee shall report, at least seven Business Days prior to each Due Date, the amount of such investment earnings to the Authority and the District, and the amount of the Lease Payments payable by the District on the next following Due Date shall be reduced by an amount equal to said investment earnings. In the event that such investment earnings exceed the Lease Payments due on said Due Date, the amount of such excess shall be applied as a credit against the next following corresponding Lease Payments.

(c) All investment earnings on amounts on deposit in the Construction Fund shall be retained in such fund until such fund is closed pursuant to Section 3.2(c) hereof.

(d) All investment earnings on amounts on deposit in the Costs of Issuance Fund shall be retained therein until such fund is closed pursuant to Section 3.3(c) hereof.

(e) The funds on hand in the Revenue Fund, the Construction Fund, the Bond Fund, and the accounts thereof, and the Costs of Issuance Fund shall be invested in Permitted Investments maturing on or before the date when such amounts will be needed for application pursuant to this Trust Agreement.

(f) Funds in the Reserve Fund not in excess of the Reserve Requirement may be invested without regard to yield. However, proceeds deposited in the Reserve Fund shall not be invested in Permitted Investments described in subsection (12) thereof. Permitted Investments of moneys held in the Reserve Fund shall not have a maturity greater than five years. Permitted Investments of moneys in the Reserve Fund shall be valued at market value (exclusive of accrued interest but inclusive of any commissions) and marked to market semiannually on or before each Due Date by the Trustee. The Trustee shall, on or before each Due Date, transfer any moneys on hand in the Reserve Fund in excess of the Reserve Requirement to the Construction Fund until the Completion Date and thereafter to the Revenue Fund.

(g) Notwithstanding any other provision of this Trust Agreement, moneys on deposit in the Insurance and Condemnation Fund and the Redemption Fund shall be invested only in Permitted Investments which the Authority Representative certifies are rated in the highest rating category by S&P and will mature not more than 91 days from their purchase date or when the moneys so invested are needed, whichever is earlier.

(h) The Trustee may, in its discretion, and upon the Written Request of the Authority shall, commingle any of the funds held by it pursuant to this Trust Agreement into a separate fund or funds for investment purposes only, provided, however, that all funds or accounts held

by the Trustee hereunder shall be accounted for separately, notwithstanding such commingling by the Trustee.

(i) The Trustee shall provide monthly written statements of the account balances to the Authority and the District; provided, however, that the Trustee shall not be obligated to deliver an accounting (other than annually) for any fund or account established or held hereunder that: (i) has a balance of zero (\$0.00) and (ii) has not had any activity since the last reporting date.

(j) The Trustee and its affiliates may act as principal or agent for the Authority in making or disposing of any investments. The Trustee and its affiliates may also act as principal sponsor or advisor with respect to any Permitted Investments. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section 3.8, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account. Subject to Section 5.3(c), the Trustee shall not be liable for any loss resulting from any investment pursuant to this Section 3.8.

(k) Except as specifically provided in this Trust Agreement, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the Authority for earnings derived from funds that have been invested.

(l) The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority will not receive such confirmations to the extent permitted by law, provided upon Authority's request, the Trustee shall provide copies of all such confirmations to Authority. In making any valuations of investments hereunder, the Trustee may utilize and rely on computerized securities pricing services that may be available to the Trustee, including those available through the Trustee's accounting system. The Trustee will furnish the Authority periodic cash transaction statements which include details for all investment transactions made by the Trustee hereunder.

3.9 Rebate Fund.

(a) Establishment of Rebate Fund. The Trustee shall establish and maintain a fund held separate from any other fund established and maintained hereunder designated as the Rebate Fund. As required by the Tax Certificate, the Authority covenants that it shall calculate the Excess Investment Earnings (as defined in the Tax Certificate) and shall transmit to the Trustee for deposit to the Rebate Fund an amount equal to the Excess Investment Earnings for the Bonds, if any, from any legally available moneys of the Authority, all in accordance with the Regulations. Neither the Authority nor the Owners of any Bonds shall have any rights in or claim to such moneys. All such calculations described in this paragraph shall be made in the manner set forth in the Regulations. The calculations of Excess Investment Earnings required hereunder shall be made by an independent financial consultant whose calculations of rebate amounts under the Code and the Regulations have been accepted by other public agencies. The Trustee shall be deemed conclusively to have complied with the provisions of this Section and the Tax Certificate if it follows the written direction of the Authority and shall have no liability

or responsibility to monitor or enforce compliance by the Authority with the terms hereof or of the Tax Certificate.

(b) Payment of Excess Investment Earnings. As required by the Tax Certificate, the Authority shall direct the Trustee to pay from moneys in the Rebate Fund, or from other moneys of the Authority legally available therefore if the deposit herein is insufficient, to the United States of America an amount that equals at least 90% of the Excess Investment Earnings within 55 days of the end of the fifth Bond Year and every fifth Bond Year thereafter. No later than 60 days after the day on which the last Bond is paid or redeemed, the Authority covenants that it shall pay to the United States of America from the Rebate Fund or from other legally available moneys of the Authority an amount equal to 100% of the theretofore unpaid Excess Investment Earnings plus earnings on such Excess Investment Earnings received or accrued after the final payment of such earnings as required by the Regulations. The Authority shall remit such payments to the United States of America at the address and in the manner prescribed by the Regulations as the same may be from time to time in effect, together with such reports and statements prepared by the Authority as may be prescribed by the Regulations.

(c) Record of Investments. The Authority covenants that it shall keep and retain for a period of six years following the retirement of the Bonds records of the determinations made pursuant to this Section 3.9 and as required by the Tax Certificate. The Trustee shall keep a record of all investments made with moneys on deposit in any fund or account established under this Trust Agreement. Such records shall contain a reference to the date of purchase, the date of sale, the purchase price, the sales price, the principal amount and coupon rate of each obligation purchased or sold.

(d) Deficiency of Available Moneys. Payments pursuant to Section 3.9(b) shall be made to the maximum extent possible from moneys on deposit in the Rebate Fund. In the event of any remaining deficiency in available moneys for the purposes of such transfer, such deficiency shall be paid by the Authority from any legally available funds of the Authority.

(e) Computation of Excess Investment Earnings. Notwithstanding the foregoing, the timing and method of computing Excess Investment Earnings described in this Trust Agreement or the Tax Certificate, as applicable, may be modified, in whole, or in part, without the consent of the Bond Owners, upon receipt by the Authority of an Opinion of Bond Counsel to the effect that such modification will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds theretofore issued. Notwithstanding the foregoing, if the Authority shall obtain an Opinion of Bond Counsel that any specified action under this Section 3.9 is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Authority and the Trustee may conclusively rely on such opinion in complying with the requirements hereunder, and the terms of this Section 3.9 shall be deemed modified to that extent. The Trustee shall have no obligations or responsibilities under this Section other than to follow the written directions of the Authority.

3.10 Title Insurance. Proceeds of any policy of title insurance received by the Trustee in respect of the Site pursuant to the terms of the Lease Agreement shall be applied and disbursed by the Trustee as follows: (a) if the District determines (and sets forth in a Certificate

of the District) that the title defect giving rise to such proceeds has not substantially interfered with its use and occupancy of the Site and will not result in an abatement of Lease Payments payable by the District under the Lease Agreement, such proceeds shall be remitted to the District and used for any lawful purpose thereof; or (b) if the District determines that the title defect giving rise to such proceeds has substantially interfered with its use and occupancy of the Site and would result in an abatement in whole or in part of Lease Payments payable by the District under the Lease (disregarding, for the purpose of determining whether such an abatement would result, the provisions of subsection (b) of Section 5.05 of the Lease Agreement), then the District shall, in a Written Request of the District, direct the Trustee to, and the Trustee shall, immediately deposit such proceeds in the Redemption Fund and such proceeds shall be applied to the redemption of the Bonds in the manner provided in Section 4.1(b) hereof.

ARTICLE IV: REDEMPTION

4.1 Redemption. The Series 2018 Bonds shall be subject to redemption prior to their stated maturity dates only as set forth below:

(a) Optional Redemption. The Bonds maturing on or before _____, 20____ are not subject to optional redemption prior to maturity. Those Bonds maturing on or after _____, 20____, are subject to redemption prior to maturity from any funds legally available therefor and deposited with the Trustee and on deposit in the Optional Redemption Account of the Redemption Fund, in whole or in part on any date, on or after _____, 20____, at the Principal amount of the Bonds to be redeemed, plus accrued but unpaid interest to the designated redemption date, without premium.

The Authority shall give the Trustee at least 35 days advance written notice of its intent to redeem Bonds pursuant to this Section 4.1(a), unless such notice is otherwise waived by the Trustee.

(b) Special Mandatory Redemption. The Bonds are subject to mandatory redemption prior to maturity, as a whole or in part on any date, at a redemption price equal to the Principal amount thereof plus accrued but unpaid interest to the redemption date, without premium, from Net Proceeds deposited in the Mandatory Redemption Account of the Redemption Fund pursuant to Section 3.6 hereof following an event of damage to, or destruction, theft or condemnation of, the Site or any portion thereof or loss of the use or possession of the Site or any portion thereof due to a title defect.

(c) Sinking Fund Redemption. (1) The Term Bond maturing on May 1, 20____, shall be subject to sinking fund redemption, in part, by lot, on May 1, 20____, and on each May 1 thereafter prior to maturity, from Sinking Fund Payments on deposit in the Sinking Fund Redemption Account of the Redemption Fund, at the Principal amount of such Term Bond to be redeemed, without premium, plus accrued but unpaid interest to the redemption date as indicated on the following table:

Sinking Fund Payment Date (May 1)	Principal Amount
20____	\$
20____ (maturity)	

(2) The Term Bond maturing on May 1, 20____, shall be subject to sinking fund redemption, in part, by lot, on May 1, 20____, and on each May 1 thereafter prior to maturity, from Sinking Fund Payments on deposit in the Sinking Fund Redemption Account of the Redemption Fund, at the Principal amount of such Term Bond to be redeemed, without premium, plus accrued but unpaid interest to the redemption date as indicated on the following table:

Sinking Fund Payment Date (May 1)	Principal Amount
20____	\$
20____	
20____ (maturity)	

In the event of a partial redemption of the Term Bonds pursuant to Section 4.1(a) and/or (b) hereof, the Sinking Fund Payments for such Term Bonds set forth above shall be proportionately reduced pursuant to calculations made by the Authority, which shall be set out in a written directive provided to the Trustee.

4.2 Selection of Bonds for Redemption. Whenever provision is made in this Trust Agreement for the redemption of Series 2018 Bonds (other than from Sinking Fund Payments for sinking fund redemption under Section 4.1(c) above) and less than all Outstanding Series 2018 Bonds are to be redeemed, an Authority Representative shall direct the Principal Amount of each maturity of Series 2018 Bonds to be redeemed. Within a maturity, the Trustee shall select Series 2018 Bonds for redemption by lot, provided, however, that the portion of any Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof. The Trustee shall promptly notify the Authority of the Series 2018 Bonds so selected for redemption on such date.

In the event that Series 2018 Bonds are to be redeemed pursuant to Section 4.1(a) and (c) on the same date, or Section 4.1(b) and (c) on the same date, the Trustee shall first select the Series 2018 Bonds to be redeemed by lot pursuant to Section 4.1(c).

4.3 Redemption Fund. Moneys to be used for redemption of Bonds shall be deposited in the appropriate account of the Redemption Fund, which shall be a special fund to be held in trust by the Trustee, separate and apart from all other funds. Said moneys shall be set aside in the Redemption Fund solely for the purpose of redeeming the Bonds in advance of maturity, or making Sinking Fund Payments, and shall be applied on or after the date designated for redemption to the payment of Principal of, interest on and premium, if any, of the Bonds to be redeemed upon presentation and surrender of such Bonds. All funds in the Redemption Fund

shall be subject to the provisions of Section 3.8 until used to redeem Bonds as required by the appropriate provisions of this Article IV.

4.4 Redemption Notice. When redemption is authorized or required pursuant to the provisions of Section 4.1 hereof, the Trustee shall give notice of the redemption of the Bonds (“Redemption Notice”) to the Bond Owners at the expense of the Authority. The Redemption Notice shall specify: (a) that the whole or a designated portion of the Bonds is to be redeemed, (b) the numbers (if less than all the Bonds of a maturity are to be redeemed) and CUSIP[®] numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made including the name and address of any redemption agent and (e) descriptive information regarding the Bonds, including the dated date, interest rates and stated maturity dates. The Redemption Notice shall further state that on the specified redemption date there shall become due and payable upon each Bond to be redeemed, the Principal (or portion) with respect thereto, together with interest accrued to said redemption date and redemption premium, if any, and that from and after such redemption date interest with respect thereto shall cease to accrue and be payable (or in the case of a partial redemption, interest shall cease to accrue with respect to such redeemed portion) from and after the date fixed for redemption.

The Trustee shall take the following actions with respect to such Redemption Notice:

- (i) At least 20 but not more than 60 days prior to the redemption date, the Redemption Notice shall be given to the respective Bond Owners designated for redemption by first class mail, postage prepaid, at their addresses appearing on the Bond Register at the close of business on the fifth Business Day before such Redemption Notice is given. The Authority shall provide the Trustee with written directions concerning optional redemption of the Bonds sufficiently in advance to allow Trustee to comply with the provisions of this Section.
- (ii) Further notice shall be given by the Trustee as set out hereinafter, but no defect in such further notice or any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a redemption if notice thereof is given as prescribed above. Such further notice shall be given at least 20 days before the redemption date by (a) first-class mail, postage prepaid, (b) confirmed facsimile transmission, or (c) overnight delivery service, to DTC and, upon written request of the Authority, to any other registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, and shall be filed electronically with the Informational Service(s), or at the request of the Authority, any other information services that disseminate notice of redemption of obligations such as the Bonds.

Any Redemption Notice may specify that redemption of the Bonds designated for redemption on the specified date will be subject to the receipt by the Authority of monies sufficient to cause such redemption (and will specify the proposed source of such monies), and

neither the Authority, the District nor the Trustee will have any liability to the Owners of any Bonds, or any other party, as a result of the Authority's failure to redeem the Bonds designated for redemption as a result of insufficient monies therefor.

Any Redemption Notice may specify that Optional or Special Mandatory redemption of the Series 2018 Bonds designated for redemption on the specified date will be subject to the receipt by the Authority of monies sufficient to cause such redemption (and may specify the proposed source of such monies), and neither the Authority nor the Trustee will have any liability to the Owners of any Series 2018 Bonds, or any other party, as a result of the Authority's failure to redeem the Series 2018 Bonds designated for redemption as a result of insufficient monies therefor.

Additionally, the Authority may rescind any optional redemption of the Bonds, and notice thereof, for any reason on any date prior to the date fixed for such redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Notice of rescission of redemption shall be given in the same manner in which the Redemption Notice was originally given. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission. Neither the Authority nor the Trustee shall have any liability to the Owners of any Bonds, or any other party, as a result of the Authority's decision to rescind the redemption of any Bonds pursuant to the provisions of this Section.

Neither failure to receive any Redemption Notice nor any defect in such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the Bonds. An affidavit by the Trustee that the Redemption Notice has been given as required by this Trust Agreement shall be conclusive against all parties, including all Bond Owners. Each check or other transfer of funds issued by the Trustee for the purpose of redeeming Bonds shall, to the extent practicable, bear the CUSIP[®] number identifying, by date and maturity, the Bond being redeemed with the proceeds of such check or other transfer.

4.5 Payment of Bonds on Redemption. Notice having been given as aforesaid, and the moneys for the redemption, including interest to the applicable redemption date, having been set aside in the Redemption Fund, the portion of Bonds to be redeemed shall become due and payable on said redemption date, and, upon presentation and surrender thereof at the Office of the Trustee specified in said Redemption Notice, said Bonds shall be paid at the redemption price with respect thereto, plus any unpaid and accrued interest to said redemption date.

4.6 Bonds No Longer Outstanding. When any Bond or portion thereof has been duly called for redemption prior to maturity under the provisions of this Trust Agreement, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Trustee, in form satisfactory to it, and sufficient money shall be held by the Trustee irrevocably in trust for the redemption price of such Bond or portion thereof, and accrued interest thereon to the date fixed for redemption, all as provided in this Trust Agreement, then such Bond or portion thereof shall no longer be deemed Outstanding under the provisions of this Trust Agreement. If the Authority shall acquire any Bond by

purchase or otherwise, such Bond shall no longer be deemed Outstanding and shall be surrendered to the Trustee for cancellation.

4.7 Purchase in Lieu of Redemption. Money held in the Redemption Fund and money held in the Principal Account of the Bond Fund hereunder may be used to reimburse the Authority for the purchases of Bonds that would otherwise be subject to redemption from such moneys upon the delivery of such Bonds to the Trustee for cancellation at least 10 days prior to the date on which the Trustee is required to select Bonds for redemption. The purchase price of any Bonds purchased by the Authority hereunder shall not exceed the applicable redemption price of the Bonds which would be redeemed but for the operation of this Section (accrued interest to be paid from the Interest Account of the Bond Fund). Any such purchase must be completed prior to the time notice would otherwise be required to be given to redeem the related Bonds. All Bonds so purchased shall be surrendered to the Trustee for cancellation and applied as a credit against the obligation to redeem such Bonds from such moneys.

4.8 Revised Lease Payment Schedule. Upon redemption in part, pursuant to Section 4.1 hereof, the Authority shall provide the Trustee with a revised schedule of Lease Payments, which schedule shall take into account such redemption and shall be and become for all purposes thereafter Exhibit "A" to the Lease Agreement.

4.9 Surplus. Any funds remaining in the Redemption Fund after redemption of all Outstanding Bonds, including accrued interest and payment of applicable amounts to the Trustee or provision made therefor satisfactorily to the Trustee, and not otherwise needed for payment of such amounts to Bond Owners, shall be withdrawn by the Trustee and remitted to the Authority after payment of any amounts due the Trustee under Sections 5.2 and 6.9, if any, under the terms hereof.

ARTICLE V: THE TRUSTEE

5.1 Appointment of the Trustee. By executing and delivering this Trust Agreement, the Trustee accepts the express duties and obligations of the Trustee provided herein, but only upon the terms and conditions herein set forth.

(a) **Appointment.** The Authority hereby appoints and employs the Trustee to receive, hold, invest and disburse the moneys to be paid to it pursuant to the Lease Agreement for credit to the various funds and accounts established by this Trust Agreement; to execute and deliver the Bonds; to apply and disburse the Lease Payments received from the District to the Owners of the Bonds; and to perform certain other functions all as hereinafter provided.

(b) **Removal and Resignation.** The District, the Authority (so long as no event of default has occurred and is continuing), or the Owners of a majority in aggregate Principal amount of all Bonds Outstanding, may, by written request (a Written Request of the Authority, if applicable), remove the Trustee initially a party to this Trust Agreement, or any successor thereto, and in such event, or if the Trustee resigns, the District and the Authority shall jointly appoint a successor Trustee, but any such successor shall be a commercial bank or trust company with trust powers in good standing and doing business and having a corporate trust office in Los Angeles, California, having (or if such bank or trust company is a member of a bank holding

company system, its bank holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least \$250,000,000 and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 5.1 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 conditions so published.

The Trustee may at any time resign by giving 30 days advance written notice to the District, the Authority and by giving to the Bond Owners notice by mailing a notice of such resignation to their addresses appearing in the Bond Register. Upon receiving any such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event that the Authority does not appoint a successor Trustee within 30 days following receipt of such notice of resignation, the resigning Trustee may petition a federal court or other appropriate court to appoint a successor Trustee. Any resignation or removal of the Trustee shall not become effective until written acceptance of appointment by the successor Trustee under this Trust Agreement.

(c) Successor. Any successor Trustee shall be a bank or trust company meeting the qualifications set forth in subsection (b) above. 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 successor Trustee shall mail notice thereof to the Bond Owners at their respective addresses set forth on the Bond Register and notice shall be provided through the Informational Service(s).

(d) Merger or Consolidation. Any company or national banking association into which the Trustee may be merged or converted, or with which it may be consolidated or any company or national banking association resulting from any merger, conversion or consolidation to which the Trustee shall be a party or any company or national banking association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Trustee without the execution or filing of any paper or further act, provided that such company or national banking association shall be qualified under subsection (b) above, anything herein to the contrary notwithstanding.

5.2 Compensation of the Trustee. The Authority shall from time to time, upon demand, pay to the Trustee, or the Authority shall cause the District to pay pursuant to the Lease Agreement, compensation for its services as provided in a separate agreement between the Trustee and the Authority and, to the extent not covered in such agreement reasonable compensation and shall reimburse the Trustee upon demand for all its advances and expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel and agents or other experts employed by it in the exercise and performance of its powers and duties hereunder, and the Trustee shall have a prior lien therefor on any and all funds at any time held by it hereunder, which lien shall be prior and superior to the lien of the Bond Owners. The Authority's obligation hereunder shall remain legal, valid and binding notwithstanding maturity and payment of the Bonds, or removal or resignation of the Trustee.

5.3 Protection to the Trustee.

(a) Reliance upon Papers or Documents; Reliance upon Opinions of Counsel. The Trustee shall be conclusively protected in acting upon any notice, resolution, consent, requisition, order, certificate, report or other paper or document to be genuine and to have been signed or presented by the proper party or parties. The Trustee, in its discretion, may consult with counsel, who may be counsel to the Authority, with regard to legal questions and the opinion of such counsel, or advice of such counsel confirmed in writing, shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

(b) Reliance upon Requested Bonds. Whenever in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by the certificate of a Authority Representative and such certificate shall be a full warranty to the Trustee for any action taken or suffered under the provisions of this Trust Agreement upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter.

(c) Standard of Care. So long as there is no Event of Default, the Trustee shall have such duties and responsibilities, and only such duties and responsibilities, as are expressly set forth herein. The Trustee shall not be liable in connection with the performance of its duties hereunder, the Lease Agreement, or under the Assignment Agreement, except for its own negligence or willful misconduct. In the event there is an Event of Default, the Trustee shall exercise such care in performing its duties hereunder as a reasonable person would exercise in the conduct of his or her affairs. The Trustee shall exercise the standard of care set forth herein in making investments upon instructions of the Authority, as provided in Section 3.8 hereof.

(d) Notice of Default. The Trustee shall not be deemed to have knowledge of any Event of Default hereunder or under the Lease Agreement unless and until a Responsible Officer shall have actual knowledge thereof.

(e) Funds and Accounts. Subject to the funds and accounts required to be established and held pursuant to this Trust Agreement, the Trustee may establish, open or close such other funds and accounts as it deems necessary or appropriate to perform its obligations hereunder.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of the Bond Owners pursuant to the provisions of this Trust Agreement unless such Bond Owners shall have offered to the Trustee security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby, satisfactory to the Trustee.

(g) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to the unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes,

freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigations or arbitration involving a party or others relating to zoning or other governmental action or inability pertaining to the Site, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee,

(h) The Trustee agrees to accept and act upon instructions or directions pursuant to this Trust Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee email or facsimile instructions (or instructions by a similar electronic method) and the Trustee acts upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instructions. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(i) The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure materials prepared or distributed with respect to the issuance of the Bonds.

(j) The Trustee is hereby directed by the Authority and the District to enter into, sign and deliver the Assignment Agreement.

5.4 Ownership of Bonds; Rights of Trustee. The Trustee may buy, sell, own, hold and deal in any of the Bonds provided pursuant to this Trust Agreement, and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party to this Trust Agreement. The Trustee, as either principal or agent, may also engage in or be interested in any financial or other transaction with the Authority, and may act as depository, trustee, or agent for any committee or body of Owners of Bonds or other obligations of the Authority or the District as freely as if it were not Trustee hereunder.

5.5 Duties and Limitations.

(a) **Attorneys, Agents, Receivers.** 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. The Trustee shall be reimbursed by the Authority for expenses incurred in hiring attorneys, agents or receivers in connection with the performance of its obligations hereunder. The Trustee shall not be answerable for the exercise of any discretion or power under this Trust

Agreement or for anything whatever in connection with the trust created hereby, except only for its own willful misconduct or negligence.

(b) Limitations on Duties.

(i) The Trustee undertakes to perform such that are specifically set forth in this Trust Agreement, and no implied duties or obligations shall be read into this Trust Agreement against the Trustee. The Trustee is authorized and directed to execute the Assignment Agreement in its capacity as Trustee. The Trustee shall not be liable with respect to any action taken or not taken by it in accordance with the direction of the Owners of a majority (or other percentage provided for herein) in aggregate principal amount of Bonds at the time Outstanding relating to the exercise of any right or remedy available to the Trustee hereunder or under the Lease Agreement.

(ii) No provision in this Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder if it shall have reasonable grounds to conclude that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.

(iii) In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners and the Authority or the District having any claim against the Trustee arising from this Trust Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds. Further, any legal counsel of the Trustee is at all times counsel to the Trustee and such counsel is not counsel to the Owners (or prior Owners) and any communications between Trustee's counsel and Trustee shall be entitled to all privilege protections afforded under applicable law.

5.6 Trustee's Disclaimer/No Warranty.

(a) Trustee's Disclaimer. The recitals, statements, representations and undertakings by the Authority or the District contained in this Trust Agreement, the Bonds or other documents and instruments entered into in connection with the issuance and sale of the Bonds shall be taken and construed as made by and on the part of the Authority or the District and not by the Trustee and the Trustee does not assume, and shall not have, any responsibility or obligations whatsoever for the correctness of any thereof. The Trustee shall have no responsibility for, and make no representations with respect to, any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(b) No Warranty. 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 Authority of the Site. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Lease Agreement or this Trust Agreement for the existence, furnishing or use of the Site.

(c) No Accountability for Use of Funds. The Trustee shall not be accountable for the use or application by the Authority or the District or any other party of any funds which the Trustee has released under this Trust Agreement.

5.7 Co-Trustees.

(a) At any time, for the purposes of meeting the legal requirements of any applicable jurisdiction, the Trustee shall appoint one or more persons to act as co-trustee under this Trust Agreement, with such powers as may be provided in the instrument of appointment, and vest in such person or persons any property, title, right or power deemed necessary or desirable, subject to the remaining provisions of this section.

(b) Each co-trustee shall, to the extent permitted by applicable law, be appointed subject to the following terms:

(i) The rights, powers, duties and obligations conferred or imposed upon any such co-trustee shall not be greater than those conferred or imposed upon the Trustee, and such rights and powers shall be exercisable only jointly with the Trustee, except to the extent that, under any law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights and powers shall be exercised by such co-trustee and powers shall be exercised by such co-trustee subject to the provisions of Section 5.7(b)(iv) hereof.

(ii) The Trustee may at any time, by an instrument in writing executed by it, accept the resignation of or remove any co-trustee appointed under this Section 5.7.

(iii) In performing duties and obligations or exercising rights and powers, a co-trustee shall be subject to the same standard of care as the Trustee. No co-trustee under this Trust Agreement shall be liable by reason of any act or omission of any other co-trustee appointed under this Trust Agreement.

(iv) No power given to such co-trustee shall be separately exercised hereunder by such co-trustee except with the consent in writing of the Trustee, anything herein contained to the contrary notwithstanding.

(c) The provisions of Section 5.7 hereof shall extend to any co-trustee, its officers, employees, agents, successors and assigns appointed hereunder.

5.8 Access to Books and Records. The Trustee shall at all times have access to those books and records of the Authority which may be reasonably required by the Trustee to fulfill its duties and obligations hereunder.

ARTICLE VI: COVENANTS; LIMITATION OF LIABILITY

6.1 Performance. The Authority covenants and agrees with the Bond Owners to perform all obligations and duties imposed on it under the Lease Agreement; and to enforce the Lease Agreement against the District in accordance with its terms. The Authority covenants and agrees with the Bond Owners that it 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 Agreement by the Authority. The Authority, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting its estates, or the leasehold interests therein, which may or can in any manner affect such estate of the Authority, will deliver the same, or a copy thereof, to the Trustee.

6.2 Completion of Project. The Authority shall use its best efforts to expend all amounts in the Construction Fund in accordance with federal tax requirements. The District, in conjunction with the Authority, shall have the right to substitute or provide for additional components of the Project with a written certificate(s) in the form contained in Exhibit “E” hereto.

6.3 Tax Covenants. So long as any of the Bonds hereunder are Outstanding, the Authority covenant and agree that they will comply with all applicable requirements of Section 103 and Sections 141 through 150 of the Code and all applicable Regulations, such that the interest on the Bonds will remain excluded from gross income pursuant to the Code, and in a manner which will not cause any Bond to be deemed an “arbitrage bond” within the meaning of Section 148 of the Code and the applicable Regulations.

The proceeds of the Bonds, the earnings thereon and any other moneys on deposit in any fund or account maintained in respect of the Bonds (whether such moneys were derived from the proceeds of the sale of the Bonds or from other sources) will not be used in a manner which would cause any Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code, or to be a “private activity bond” or “private loan bond” within the meaning of Section 141 of the Code and the applicable Regulations, or an obligation which is “federally guaranteed” within the meaning of Section 149(b) of the Code.

The Authority further covenants that it will not take any action which, if taken, nor omit to take any action which, if omitted, would adversely affect the exclusion from gross income of interest on the Bonds under Section 103 of the Code.

6.4 Assignment by Authority. The Authority hereby confirms the assignment made to the Trustee pursuant to the Assignment Agreement, which assignment includes but is not limited to all of the Authority’s rights and remedies under the Lease Agreement (excepting only its right to receive payment of its fees and expenses under Section 5.01 of the Lease Agreement, and its right to indemnification under Section 9.03 of the Lease Agreement), including its rights to receive Lease Payments thereunder.

6.5 District Budgets. In accordance with Section 5.01(f) of the Lease Agreement, the District will provide the Trustee with an annual certification that the District has complied with its obligations thereunder, and the District Representative shall certify to the Trustee that

the District has included all Rental Payments due under the Lease Agreement in the Fiscal Year covered by its proposed budget and adopted budget. If the District fails to provide the Trustee with such certification, the Trustee, on behalf of the Authority, shall promptly provide the District written notice specifying that the District has failed to observe and perform its covenant and agreement in such Section 5.01(f) and requesting that such failure be remedied within 30 days, or such failure shall constitute an Event of Default pursuant to Section 10.01 of the Lease Agreement. The Trustee shall forward a copy of such notice to the Authority. Upon receipt of such notice, the District shall notify the Trustee of the proceedings proposed to be taken by the District, and shall keep the Trustee advised of all proceedings thereafter taken by the District.

6.6 Action In the Event of Non-Payment of Lease Payments. Upon failure by the District to fully pay any Lease Payment on or prior to the Due Date pertaining to such Lease Payment the Trustee shall transfer the unpaid amount of such Lease Payment from the Reserve Fund to the Revenue Fund, as provided in Section 3.7 hereof, and if necessary, the Trustee shall exercise its remedies under the Lease Agreement, and any other remedies which the Trustee may have by contract or by law.

6.7 Limited Obligation to Owners. Except for the payment of Lease Payments when due in accordance with the Lease Agreement and the performance of other covenants and agreements of the Authority and District contained in the Lease Agreement and this Trust Agreement, the Authority and the District shall have no obligation or liability to any of the other parties or the Owners of the Bonds with respect to this Trust Agreement or the terms, issuance, sale, or transfer of the Bonds, or the distribution of Lease Payments to the Owners by the Trustee. Except as provided in this Trust Agreement, neither the Authority nor the Trustee shall have any obligation or liability to the Owners of the Bonds evidenced by the payment of the Lease Payments by the District when due, or with respect to the performance by the District or the Authority of any other covenant made by them in the Lease Agreement. The Trustee shall not be responsible for the sufficiency of the Lease Agreement or of the assignment made to it of the right to receive Lease Payments pursuant to the Lease Agreement, or the value of or title to the Site. The recitals of facts, covenants and agreements herein and in the Bonds shall be taken as statements, covenants and agreements of the Authority, as the case may be, and the Trustee assumes no responsibility for the correctness thereof.

6.8 No Obligation for Performance by Trustee. Neither the Authority nor the District shall have any obligation or liability to the Owners of the Bonds with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

6.9 Indemnification to Trustee. The Authority shall and hereby agrees to, upon written demand therefore, indemnify and save the Trustee harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of: (i) the use, maintenance, condition or management of, or from any work or thing done on, the Project by the Authority, including, without limitation, arising out of the use, storage, presence, disposal or release of any Hazardous Substance on or about the Project; (ii) any breach or default on the part of the Authority in the performance of any of its obligations under this Trust Agreement; (iii) any act of negligence of the Authority or of any of its contractors, servants, employees or licensees with respect to the Project; or (iv) any act of negligence of any assignee or sublessee of the Authority, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the

Authority with respect to the Project or the Site. Indemnification for any tort mentioned in this Section shall be limited to the extent and in the amounts provided for by State law. No indemnification will be made under this Section or elsewhere in this Trust Agreement for willful misconduct or negligence under this Trust Agreement by the Trustee, its officers, or agents, employees, successors or assigns. However, the Trustee has no liability for the acts of its consultants selected with reasonable care. The Authority further covenants and agrees to indemnify and save the Trustee harmless against any claim, loss or expense which it may incur arising out of or in the exercise and performance of its powers and duties hereunder or any untrue statement or allegedly untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or offering circular utilized in connection with the sale of the Bonds or other disclosure document relating to the Bonds, including the costs and expenses (including reasonable attorneys' fees and disbursements) of defending against any claim of liability (except those claims, losses or expenses arising out of, or in connection with, such party's negligence, default or willful misconduct). The Authority further covenants and agrees to advance to the Trustee all amounts requested as the costs and expenses of such defense. Any and all special obligations of the Authority under this Section 6.9 shall be and remain valid and binding special obligations of the Authority notwithstanding the payment in full of the Lease Payments or the termination of this Trust Agreement or the resignation or removal of the Trustee.

6.10 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default hereunder or under Section 10.01 of the Lease Agreement, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in a Principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless such Event of Default has been cured, 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 at least a majority in aggregate Principal amount of the Bonds Outstanding hereunder, opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

6.11 Limitation on Bond Owners' Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless: (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an event of default hereunder; (b) the Owners of at least a majority in aggregate Principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omissions are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his 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 Bonds.

The right of any Owner of any Bond to receive payment of said Owner's proportionate interest in the Lease Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Trust Agreement.

6.12 Continuing Disclosure. The Authority and the District have each covenanted and agreed that it will carry out the provisions of the Continuing Disclosure Certificate (as defined herein). Notwithstanding any provision in this Trust Agreement to the contrary, failure by the Authority or the District to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default for purposes of Article VII hereof or Article X of the Lease Agreement, however, any Bond Owner may take such actions as may be necessary and appropriate, including seeking a mandate or specific performance by court order, to cause the Authority or the District to comply with the obligations under this Section.

6.13 Additional Secured Obligations Utilizing the Site. As an additional covenant under this Trust Agreement, and during the term hereof, the Authority hereby covenants that it will not issue additional bonds, lease-revenue obligations or similar obligations secured by the Site.

6.14 General. The Authority shall do and perform, or cause to be done and performed, all acts and things required to be done or performed by or on behalf of the Authority under the provisions of this Trust Agreement.

The Authority certifies, declares, recites and warrants that upon the date of issuance of any of the Bonds, all conditions, acts and things required by law and this Trust Agreement to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds do exist, have happened and have been performed in due time, form and manner as may be required by law, and that the Authority is now duly authorized to issue the Bonds and the issuance of such Bonds shall be entitled to the benefit, protection and security of the provisions of this Trust Agreement and shall comply in all respects with the applicable laws of the State.

6.15 Prosecution and Defense of Suits. The Authority shall promptly take or cause the District to promptly take such action as may be necessary to cure any defect in the title to its Site or any part thereof, whether now existing or hereafter occurring, and shall prosecute and defend all such suits, actions and all other proceedings as may be appropriate for such purpose.

6.16 Further Assurances. The Authority 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 for the better

assuring and confirming to the Trustee, on behalf of the Owners, the rights and benefits provided herein.

6.17 Receipt and Deposit of Lease Payments in Revenue Fund. In order to carry out and effectuate the pledge, charge and lien contained herein, the Authority agrees and covenants that all Lease Payments when and as received shall be received by the Authority in trust hereunder for the benefit of the Owners and shall be deposited when and as received by the Authority in the Revenue Fund. All Lease Payments shall be accounted for through and held in trust in the Revenue Fund and the Authority shall have no beneficial right or interest in any of the Lease Payments except as herein provided. All Lease Payments, whether received by the Authority in trust or deposited with the Trustee as herein provided, shall nevertheless be allocated, applied and disbursed solely to the purposes and uses set forth herein, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the Authority.

6.18 Protection of Funds. The Authority shall, at any and all times so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all rights, Revenues and other moneys, securities, properties and funds hereby pledged or assigned, or intended so to be, or which the Authority may hereafter become bound to pledge or assign. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues or other moneys, securities, properties and funds pledged under this Trust Agreement and all the rights and interests of the Owners under this Trust Agreement against all claims and demands of all persons whomsoever.

6.19 Existence of Authority. The Authority covenants and agrees with the Owners that so long as any Bonds remain Outstanding, the Authority shall maintain its existence as a joint powers authority duly organized under the laws of the State, and shall cause the District to refrain from taking any action that may terminate the Authority or from failing to take any action necessary to maintain the Authority's existence.

ARTICLE VII: EVENTS OF DEFAULT

7.1 Events of Default Defined. The following shall be "Events of Default" under this Trust Agreement and the terms "Events of Default" shall mean, whenever they are used in this Trust Agreement, any one or more of the following events:

(a) An Event of Default shall have occurred under Section 10.01 of the Lease Agreement.

(b) Failure by the District or the Authority to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Trust Agreement or the Lease Agreement, other than such failure as may constitute an Event of Default under clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District or the Authority by the Trustee, the Authority and the Trustee by the Owners of not less than a majority in aggregate Principal amount of

Bonds then Outstanding, as applicable; provided, however, that if the failure (other than a failure to pay the fees and expenses of the Trustee) stated in the notice cannot be corrected within such period, then the Trustee and the Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the District or the Authority within such period and diligently pursued until the default is corrected.

7.2 Notice of Events of Default. The Trustee shall not be deemed to have knowledge of any Event of Default hereunder or under the Lease Agreement until a Responsible Officer shall have actual knowledge thereof. Upon the Trustee's actual knowledge of an event of a default hereunder, the Trustee shall give notice of such default to the Owners of the Bonds. Such notice shall state that the District or the Authority is in default and shall provide a brief description of such default. The notice provided for in this Section shall be given by first-class mail to the Owners within 30 days of the Responsible Officer's actual knowledge of such occurrence of default. So long as default is not a payment default, the Trustee may determine, in its sole discretion, not to send notice; provided, however, that failure to send such notice would not prejudice the rights of the Owners as set forth herein.

7.3 Remedies on Default. Upon the occurrence and continuance of any Event of Default specified in Section 7.1(a) of this Trust Agreement, the Trustee shall proceed, subject to its right to receive indemnification satisfactory to it from the Owners for costs and expenses, including reasonable attorneys' fees, to exercise the remedies set forth in Section 10.02 of the Lease Agreement or available to the Trustee hereunder, including, but not limited to, mandamus action(s). Upon the occurrence and continuance of any Event of Default hereunder, the Trustee may proceed (and upon written request of the Owners of not less than a majority in aggregate Principal amount of Bonds then Outstanding shall proceed) to exercise the remedies set forth in Section 10.02 of the Lease Agreement or available to the Trustee hereunder.

7.4 Collection of Lease Payments. The Trustee shall take any appropriate action to cause the District to pay any Lease Payments not paid when due, upon written request and authorization by the Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, subject to the Trustee's right to be indemnified against any liability or expenses with regard thereto and payment of its fees and expenses, and unpaid, and upon being satisfactorily indemnified against any expense and liability with respect thereto and receiving payment for its fees and expenses.

7.5 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive and every remedy shall be cumulative and shall be in addition to every other remedy given under this Trust Agreement and the Lease Agreement, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default 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 Trustee or the Owners to exercise any remedy reserved to it or them, it shall not be necessary to give any notice other than such notice as may be required in this Article or by law.

7.6 No Additional Waiver Implied by One Waiver. In the event any provision contained in this Trust Agreement should be breached by a party and thereafter waived by

another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

7.7 Application of Funds. All funds received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII, or of Article X of the Lease Agreement, shall be deposited into the Revenue Fund and the amounts in such fund and all other funds held by the Trustee hereunder (exclusive of moneys in the Reserve Fund which shall be used to pay Principal and interest on the Bonds) shall be applied by the Trustee in the following order upon presentation and surrender of the several Bonds, or the stamping thereon of the payment if partially paid in amounts not equal to integral multiples of \$5,000:

First, Costs and Expenses: to the payment of the fees, costs and expenses of the Trustee and then the costs and expenses of the Owners, including reasonable compensation to its or their agents, attorneys and counsel;

Second, Interest: to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amounts available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

Third, Principal: to the payment to the persons entitled thereto of the unpaid of Principal on the Bonds, which shall have become due, whether at maturity or by call for redemption, in the order of their redemption dates, and, if the amount available shall not be sufficient to pay in full all of the amounts due with respect to the Bonds on any date, then to the payment thereof ratably, according to the amounts of Principal due on such date to the persons entitled thereto, without any discrimination or preference; and

Fourth, Reserve: to restore the Reserve Fund to the Reserve Requirement.

7.8 Trustee May Enforce Claims Without Possession of Bonds. All rights of action and claims under this Trust Agreement or the Bonds may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Owners of the Bonds in respect of which such judgment has been recovered.

7.9 No Acceleration. THE BONDS ARE NOT SUBJECT TO ACCELERATION IN THE PAYMENT OF INTEREST OR PRINCIPAL.

ARTICLE VIII: AMENDMENT; DEFEASANCE

8.1 Amendments.

(a) This Trust Agreement and the rights and obligations of the District, the Authority, the Owners and the Trustee hereunder may be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding when the Owners of a majority of the aggregate Principal amount on the Bonds then Outstanding are filed with the Trustee. No such amendment or supplement shall: (i) extend the stated Principal Payment Date of any Bond, reduce the interest rate evidenced thereby, extend the time of payment of such interest, reduce the amount of Principal evidenced thereby or change the redemption terms and provisions without the prior written consent of the Owner of each Bond so affected; (ii) reduce the percentage of Owners whose consent is required for the execution of any amendment hereof or supplement hereto without the prior written consent of the Owners of all Bonds then Outstanding; (iii) modify any of the rights or obligations of the Trustee without the prior written consent of the Trustee; or (iv) amend this Section without the prior written consent of the Owners of all Bonds then Outstanding.

(b) This Trust Agreement and the rights and obligations of the District, the Authority, the Owners and the Trustee hereunder may also be amended or supplemented at any time by an amendment hereof, or supplement hereto, which shall become binding upon execution, but without the written consents of any Owners, and only to the extent permitted by law and after receipt of an unqualified approving Opinion of Bond Counsel and only for any one of the following purposes:

- (i) to add to the agreements, conditions, covenants and terms required by the Authority to be observed or performed herein or other agreements, conditions, covenants and terms thereafter to be observed or performed by the Authority, or to surrender any right or power reserved herein to or conferred herein on the Authority;
- (ii) to make such provisions for the purpose of curing any ambiguity or of curing, correcting, or supplementing any defective provision contained herein or in regard to questions arising hereunder that the Authority may deem desirable or necessary and not inconsistent herewith;
- (iii) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of interest on the Bonds; or
- (iv) for any other reason, provided such amendment or supplement does not adversely affect the rights or interests of the Owners; provided, however, that the Authority and the Trustee may rely in entering into any such amendment hereof or supplement hereto, upon receipt of an Opinion of Bond Counsel stating that the requirements of this paragraph have been met with respect to such amendment or supplement.

8.2 [Reserved]

8.3 Defeasance. If all or a specified portion of the Outstanding Bonds shall be deemed paid and discharged in any one or more of the following ways:

(a) by paying or causing to be paid the Principal, interest and premium (if any) with respect to all or such specified portion of the Outstanding Bonds, as and when the same shall become due and payable;

(b) by depositing with the Trustee, or other designated escrow holder, in trust, before maturity, moneys which, together with amounts then on deposit in the Revenue Fund, are fully sufficient to pay all or such specified portion of the Outstanding Bonds, including all Principal, interest and premium (if any) with respect thereto; and/or

(c) by depositing with the Trustee, or other designated escrow holder, in trust, Defeasance Securities in such amount as an independent firm of nationally certified public accountants or such other accountant ("Accountant") shall determine will, together with the interest to accrue thereon and moneys then on deposit in the Bond Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all or such specified portion of the Bonds (including all Principal, interest and premium (if any) with respect thereto) at or before their respective maturity dates;

To accomplish defeasance under this Section 8.3, the Authority shall cause to be delivered: (i) a report of an Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"); (ii) an escrow agreement; and (iii) an Opinion of Bond Counsel, dated the date of defeasance, to the effect that the Bonds are no longer Outstanding under the Trust Agreement. Each Verification and defeasance opinion shall be acceptable in form and substance, and addressed to the Authority and Trustee.

Notwithstanding that any Bonds shall not have been surrendered for payment, all obligations of the Authority, the Trustee and the District under this Trust Agreement with respect to the Bonds paid, as provided in the above subsections (a) (b) or (c), shall cease and terminate and shall no longer be Outstanding under this Trust Agreement, except only the obligation of the Trustee to pay or cause to be paid from funds deposited therefor to the Owners of the Bonds not so surrendered and paid all sums due thereon and to transfer title to the Site to the District as provided in this Trust Agreement and the Lease Agreement and except the obligation of the Authority to comply with the covenants set forth in this Trust Agreement and the Lease Agreement. The Bonds shall be deemed to be Outstanding unless and until they are, in fact, paid and retired or the criteria of this Section 8.3 are met.

Any funds held by the Trustee, at the time of one of the events described above, which are not required for the payment to be made to the Owners, or for payments to be made to the Trustee by the Authority, shall be paid over to the Authority pursuant to written instruction from the Authority Representative.

ARTICLE IX: MISCELLANEOUS

9.1 Security Interest. A Certificate of the District shall be provided to the Trustee, on or before _____ of each year, commencing in year 20____, that: (1) the

Site is, and will remain free of any prior lien or security interest; and (2) the District will not encumber the Site during the term of the Lease Agreement. The District shall supply such certification to the Authority and the Trustee on an annual basis during the term of the Lease Agreement. In the event of failure to do so, the Trustee shall request such documentation in writing pursuant to Section 9.3. Continued failure of the District to so provide shall become an Event of Default under Section 7.1(b).

9.2 Trustee to Keep Records. The Trustee shall keep books and records of all moneys received and disbursed under this Trust Agreement, which shall be available for inspection by the Authority and any Owner at any reasonable time during regular business hours upon reasonable prior written notice.

9.3 Notices. All notices required to be given under this Trust Agreement shall be in writing and shall be given by first-class mail, postage prepaid, in registered or certified form to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other parties in writing from time to time. Notice may also be given via facsimile to the facsimile numbers below. Notice to the Trustee shall be deemed effective only upon receipt.

Authority: William S. Hart Joint School Financing Authority
c/o William S. Hart Union High School District
21380 Centre Pointe Parkway
Santa Clarita, CA 91350
(661) 259-0033
Attn: Treasurer/Chief Financial Officer

District: William S. Hart Union High School District
21380 Centre Pointe Parkway
Santa Clarita, CA 91350
(661) 259-0033
Attn: Chief Financial Officer

Trustee: ZB, National Association dba Zions Bank
550 South Hope Street, Suite 2875
Los Angeles, CA 90071
(213) 593-3152
Attn: Corporate Trust

9.4 Disqualified Bonds. In determining whether the Owners of the requisite aggregate Principal Amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Trust Agreement, Bonds which are known by the Trustee to be owned or held by or for the account of the Authority, or by any other obligor of the Bonds, or by a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledge shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledge is not a Person directly or indirectly controlling or controlled by, or under direct

or indirect common control with, the Authority or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

9.5 Payment on Non-Business Days. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next Business Day with the same effect as if made on such non-Business Day.

9.6 California Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

9.7 Severability. Any provision of this Trust Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Trust Agreement.

9.8 Binding on Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

9.9 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.

9.10 Headings. Headings preceding the text of the several Articles and Sections hereof, and the table of contents, are solely for convenience or reference and shall not constitute a part of this Trust Agreement or affect its meaning, construction or effect.

9.11 Canceled Bonds. All canceled Bonds held by the Trustee shall be destroyed and certification of their destruction delivered to the Authority.

9.12 Content of Certificates. Every Certificate of the Authority or Certificate of the District, as applicable, with respect to compliance with any agreement, condition, covenant or term contained herein shall include: (a) a statement that the person making or giving such certificate has read such agreement, condition, covenant or term and the definitions herein relating thereto, (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based, (c) a statement that, in the opinion of the signer, the signer has made or caused to be made such examination or investigation as is necessary to enable the signer to express an informed opinion as to whether or not such agreement, condition, covenant or term has been complied with, and (d) a statement as to whether, in the opinion of the signer, such agreement, condition, covenant or term has been complied with.

Any Certificate of the Authority or Certificate of the District, as applicable, may be based, insofar as it relates to legal matters, upon an Opinion of Bond Counsel, unless the person making or giving such certificate knows that the Opinion of Bond Counsel with respect to the matters upon which each person's certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Bond Counsel may be based, insofar as it relates to factual matters, upon information which is in the possession of the Authority or District, as applicable, upon a representation by an officer or

officers of the Authority or District, as applicable, unless the counsel executing such Opinion of Bond Counsel knows that the representation with respect to the matters upon which such counsel's opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Trust Agreement to be executed by their duly authorized officers as of the date and year first above written.

“AUTHORITY”

WILLIAM S. HART JOINT SCHOOL
FINANCING AUTHORITY

By: _____
Authority Officer

“TRUSTEE”

ZB, NATIONAL ASSOCIATION DBA ZIONS
BANK

By: _____
Title: _____

**EXHIBIT “A”
MATURITY SCHEDULE**

EXHIBIT "B"

FORM OF SERIES 2018 BOND

**REGISTERED
No. R-000**

**REGISTERED
\$0,000,000.00**

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES**

**WILLIAM S. HART JOINT SCHOOL FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2018**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP[®] No.</u>
X.XXX%	May 1, 20__	_____, 2018	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

THE WILLIAM S. HART JOINT SCHOOL FINANCING AUTHORITY, a California joint powers authority (hereinafter referred to as the "Authority"), acknowledges itself indebted to, and for value received hereby promises to pay to, the registered owner identified above or the registered assigns thereof, the Principal Amount specified above on the Maturity Date specified above, but solely from the funds pledged therefor, by check upon presentation and surrender of this lease revenue bond ("Bond") at the principal corporate trust office of ZB, National Association dba Zions Bank, as Trustee (hereinafter referred to as the "Trustee"), under that certain Trust Agreement, dated as of _____ 1, 2018 ("Trust Agreement"), by and between the Authority and the Trustee, in Los Angeles, California, or at the offices of its duly appointed successor, the amounts set forth herein.

The registered owner of this Bond is entitled to receive, subject to the terms of the Trust Agreement and unless sooner paid in full, on the Maturity Date identified above, the Principal Amount identified above, and, on each May 1 and November 1, commencing November 1, 2018 (each, "Payment Date"), until the Maturity Date identified above or earlier redemption hereof, interest on his or her Bond coming due on such dates. Interest to be paid to the registered owner of this Bond on each Payment Date shall be equal to the amount determined by applying the annual interest rate shown above to the principal amount shown above and computed using a year of 360 days comprised of twelve 30-day months.

Interest payable on this Bond shall be payable from the Payment Date next preceding the date of authentication hereof, unless (i) this Bond is authenticated on or before a Payment Date and after the close of business on the fifteenth day of the calendar month preceding any Payment Date, whether or not such day is a Business Day ("Record Date"), in which event interest with respect hereto shall be payable from such Payment Date, or (ii) it is authenticated prior to the first Record Date, in which event interest thereon shall be payable from the Dated Date; provided, however, that if on the date of authentication of any Bond interest thereon is in default, interest thereon shall be payable from the Payment Date to which interest has previously been paid or made available for payment or if no interest has been paid or made available for payment, from the Dated Date.

Amounts due hereunder with respect to principal and premium, if any, are payable upon surrender hereof at the corporate trust office of the Trustee, in Los Angeles, California (or any successors thereto), or any paying agent appointed by the Trustee. Amounts representing interest are payable by check of the Trustee mailed by first-class mail, postage prepaid, or by wire transfer to any registered owner of \$1,000,000 or more of Bonds to the account in the United States of America specified by such registered owner in a written request delivered to the Trustee on or prior to the Record Date for such Payment Date, to the registered owner of this Bond at such owner's address as it appears on the registration books of the Trustee as of the Record Date preceding the Payment Date. Payments of defaulted interest, if any, on this Bond shall be paid by check of the Trustee mailed to the registered owner of this Bond as of a special record date to be fixed by the Trustee which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest. The principal of, premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America.

The Authority has entered into a Lease Agreement, dated as of _____ 1, 2018 ("Lease Agreement"), by and between the Authority, as Lessor, and the William S. Hart Union High School District, a public school district duly organized and existing under the laws of the State of California (hereinafter referred to as the "District"), as Lessee, for the lease of certain improved real property owned by the District ("Site") leased to the Authority by the District under the Site Lease, dated as of _____ 1, 2018, in order to provide for the financing, designing, constructing, renovating, acquiring, delivering or installing a building, fixtures and improvements for use by the District on certain other real property and leasing the Site in connection with the performance of the District's governmental functions. The District is authorized to enter into the Lease Agreement pursuant to the laws of the State of California, and the Authority is authorized to enter into the Lease Agreement pursuant to the laws of the State of California and a Joint Exercise of Powers Agreement, dated as of November 9, 1994, by and between the District and Community Facilities District No. 88-4 of the District. The Authority has pledged certain of its rights, title and interest under the Lease Agreement to the Trustee, pursuant to the Assignment Agreement by and between the Authority and Trustee, dated as of _____ 1, 2018, and the Trust Agreement.

This Bond is one of a duly authorized issue of \$_____ aggregate amount of lease revenue bonds designated as the "William S. Hart Joint School Financing Authority Lease Revenue Bonds, Series 2018." The Bonds are issued under and are entitled to the protection given by the Trust Agreement. The Bonds are special limited obligations of the Authority, payable from and solely secured by the Revenues (as defined under the Trust

Agreement). Under no circumstances shall the Authority be obligated to make payments on the Bonds except from the Revenues. The Authority has no taxing power. **THE BONDS CANNOT BE ACCELERATED UNDER THE TRUST AGREEMENT.**

Reference is hereby made to the Lease Agreement and the Trust Agreement (copies of each of which are on file at the aforesaid offices of the Trustee) for a description of the terms on which the Bonds are issued, and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the District under the Lease Agreement, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees.

The District is required under the Lease Agreement to pay Lease Payments from any source of legally available funds. The District has covenanted in the Lease Agreement to make the necessary annual appropriations for such purpose. The Lease Payments are required to be deposited with the Trustee prior to each payment date for application to the Revenue Fund established under the Trust Agreement. The Authority has pledged the Lease Payments to be received from the District and has also pledged all of its interest in all amounts on deposit from time to time in the funds and accounts established pursuant to the Trust Agreement (including, without limitation, amounts on deposit in the Bond Fund, but excluding amounts on deposit in the Construction Fund, Costs of Issuance Fund and Rebate Fund) to secure the payment of the Bonds and the interest thereon and the performance of all of the obligations of the Authority contained in the Trust Agreement.

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 an indebtedness of the District, the Authority, any members of the Authority, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction. Except to the extent of certain limited special funds specified in the Lease Agreement, the District's obligation to pay the Lease Payments will be abated during any period in which, by reason of material damage, destruction, theft, title defects or condemnation, there is substantial interference with the District's right to the use or possession of the Site or any material portion thereof. Failure of the District to pay the Lease Payments during any such period shall not constitute a default under the Lease Agreement. **THE LEASE PAYMENTS CANNOT BE ACCELERATED UNDER THE TRUST AGREEMENT AND THE LEASE AGREEMENT, AND ARE ANNUAL OBLIGATIONS OF THE DISTRICT.**

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 registered owners of not less than a majority of the aggregate principal amount of the Bonds then outstanding. No amendment shall be permitted, however, which would impair the right of any registered owner to receive in any case such owner's principal or interest with respect to such owner's Bond.

Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the corporate trust office of the Trustee, but only in the

manner, subject to the limitations and upon payment of the charges, provided in the Trust Agreement and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of an Authorized Denomination or denominations, for the same type, aggregate principal amount, maturity and interest rate will be delivered to the transferee in exchange herefor. The Authority and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Bonds are deliverable in the denominations of \$5,000 or any integral multiple thereof.

The Bonds maturing on or before _____ 1, 20____ are not subject to optional redemption prior to maturity. The Bonds maturing on or after _____ 1, 20____, are subject to redemption prior to maturity from any funds legally available therefor and deposited with the Trustee and on deposit in the Optional Redemption Account of the Redemption Fund, in whole or in part on any date, on or after _____ 1, 20____, at the principal amount of the Bonds to be redeemed, plus accrued but unpaid interest to the designated redemption date, without premium.

The Bonds are subject to mandatory redemption prior to maturity, as a whole or in part on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest to the designated redemption date, without premium, from Net Proceeds deposited in the Mandatory Redemption Account of the Redemption Fund pursuant to the Trust Agreement following an event of damage to, or destruction, theft or condemnation of, the Site or any portion thereof or loss of the use or possession of the Site or any portion thereof due to a title defect.

The Term Bond maturing on May 1, 20____, shall be subject to sinking fund redemption, in part, by lot, on May 1, 20____, and on each May 1 thereafter prior to maturity, from Sinking Fund Payments on deposit in the Sinking Fund Redemption Account of the Redemption Fund, at the principal amount of such Term Bond to be redeemed, without premium, plus accrued but unpaid interest to the redemption date as indicated on the following table:

<u>Sinking Fund Payment Date</u> <u>(May 1)</u>	<u>Principal Amount</u>
20____	\$
20____ (maturity)	\$

The Term Bond maturing on May 1, 20____, shall be subject to sinking fund redemption, in part, by lot, on May 1, 20____, and on each May 1 thereafter prior to maturity, from Sinking Fund Payments on deposit in the Sinking Fund Redemption Account of the Redemption Fund, at the principal amount of such Term Bond to be redeemed, without premium, plus accrued but unpaid interest to the redemption date as indicated on the following table:

Sinking Fund Payment Date (May 1)	Principal <u>Amount</u>
20__	\$
20__	\$
20__	\$
20__	\$
20__ (maturity)	\$

In the event of a partial redemption of the Term Bonds prior to their designated maturity date pursuant to the Trust Agreement, the Sinking Fund Payments for such Term Bonds set forth above shall be proportionately reduced pursuant to calculations made by the Trustee.

The Authority shall give the Trustee at least 35 days advance written notice of its intent to redeem Bonds pursuant to the Trust Agreement, unless such notice is otherwise waived by the Trustee.

The Redemption Notice shall be given to the respective Owners of the Bonds designated for redemption at their addresses appearing on the Bond Register at the close of business on the fifth Business Day before such Redemption Notice is given. The Trustee shall give notice by first-class mail, postage prepaid, at least 20 days but not more than 60 days prior to the redemption date. Neither failure to receive any Redemption Notice nor any defect therein shall affect the sufficiency of the proceedings for the redemption of such Bonds.

If this Bond, or any portion hereof, is called for redemption, the Trust Agreement requires that the Redemption Notice state that on the specified redemption date there shall become due and payable upon each Bond to be redeemed, the Principal (or portion) with respect thereto, together with interest accrued to said redemption date and redemption premium, if any, and that from and after such redemption date interest with respect thereto shall cease to accrue and be payable (or in the case of a partial redemption, interest shall cease to accrue with respect to such redeemed portion) from and after the date fixed for redemption.

The Trustee has no obligation or liability to the Owners of the Bonds to make payments with respect to the Bonds, except from amounts on deposit for such purpose with the Trustee. The Trustee's sole obligations are to administer for the benefit of the Owners of the Bonds the various funds, accounts and subaccounts established under the Trust Agreement and to perform the other duties expressly imposed upon it under the Trust Agreement.

This Bond shall not be entitled to any benefit under the Trust Agreement or become valid for any purpose until it has been duly executed and delivered by the Authority and authenticated by the Trustee.

The Authority HEREBY CERTIFIES, RECITES AND DECLARES that all things, conditions and acts required by the Constitution and laws of the State of California and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Bond, do exist, have happened and have been performed in due time, form and manner, as required by law and the Trust Agreement.

This Bond shall not be entitled to any benefit under the Trust Agreement or be valid or become obligatory for any purpose until the certificate of authentication hereof shall have been signed by the Trustee.

IN WITNESS WHEREOF, THE WILLIAM S. HART JOINT SCHOOL FINANCING AUTHORITY has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its President or any Vice-President and attested by the manual or facsimile signature of its Secretary, Treasurer or an Assistant Secretary or Treasurer.

WILLIAM S. HART JOINT SCHOOL
FINANCING AUTHORITY

-EXHIBIT-

By: _____
President of the William S. Hart Joint
School Financing Authority

ATTEST

-EXHIBIT-

By: _____
Secretary of the William S. Hart
Joint School Financing Authority

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds referred to in the within-mentioned Trust Agreement.

Date of Registration and Authentication: _____, 2018

ZB, NATIONAL ASSOCIATION DBA ZIONS BANK, Trustee

-EXHIBIT-

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto

(print/type name, address, zip code, tax identification or Social Security number of assignee)

the within Bond and do(es) irrevocably constitute and appoint _____,
attorney, to transfer the same on the registration books of the Trustee, with full power of
substitution in the premises.

-EXHIBIT-

Registered Owner

Date: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears
upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

-EXHIBIT-

Notice: Signature must be guaranteed by an eligible guarantor institution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company
to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is
registered in the name of Cede & Co., or such other name as requested by an authorized
representative of The Depository Trust Company and any payment is made to Cede & Co., ANY
TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR
TO ANY PERSON IS WRONGFUL since the Registered Owner hereof, Cede & Co., has an
interest herein.

FORM OF LEGAL OPINION

EXHIBIT "C"

**FORM OF REQUISITION
(CONSTRUCTION/COSTS OF ISSUANCE)**

Date: _____

REQUISITION NO. _____

You are hereby instructed to pay to _____ at _____ [address], the sum of \$_____ from the [**choose one - Construction Fund/Costs of Issuance Fund**] as provided in Section 3.2/3.3 of the Trust Agreement, dated as of _____ 1, 2018, ("Trust Agreement"), by and between ZB, National Association dba Zions Bank, as Trustee ("Trustee") and the William S. Hart Joint School Financing Authority ("Authority"). The amounts to be disbursed constitute [**choose one - Construction Costs/Costs of Issuance**], as defined in the Trust Agreement, are a proper charge against the [**choose one - Construction Fund/Costs of Issuance Fund**] and are not being paid in advance of the time, if any, fixed for payment. No amount set forth herein has been included in any Requisition previously filed with, and paid by, the Trustee pursuant to the Trust Agreement. All payments shall be made by check or wire transfer in accordance with payment instructions contained herein and the Trustee shall have no duty or obligation to authenticate such payment instructions or the authorization thereof.

WILLIAM S. HART JOINT SCHOOL
FINANCING AUTHORITY

-EXHIBIT-

By: _____
Authorized Representative

RECEIPT ACKNOWLEDGED:

ZB, NATIONAL ASSOCIATION DBA ZIONS BANK

-EXHIBIT-

By: _____
Authorized Officer

EXHIBIT “D”

DESCRIPTION OF THE PROJECT

Funds in the Construction Fund shall be used to fund the following:

EXHIBIT "E"

PROJECT SUBSTITUTION FORM

Pursuant to the terms of that certain Trust Agreement, dated as of _____ 1, 2018 ("Trust Agreement"), between the ZB, NATIONAL ASSOCIATION DBA ZIONS BANK ("Trustee") and the WILLIAM S. HART JOINT SCHOOL FINANCING AUTHORITY ("Authority"), including Section 6.2 thereof, the foregoing parties do hereby certify and provide as follows:

A. Pursuant to Section 6.2 of the Trust Agreement, the William S. Hart Union High School District ("District"), in conjunction with the Authority, has determined to substitute the below-described Project ("Substituted Project") for all or a designated portion of the Project (as defined in the Trust Agreement).

B. All capitalized terms herein, and not otherwise defined, shall have the same meaning(s) as set forth in the Trust Agreement.

As part of such substitution, the following information, certification and documentation is hereby provided:

Description of existing Project, or portion thereof being substituted:

[Description of Project, or portion thereof, being substituted]

Description of Substituted Project:

[Description of Substituted Project(s)]

Useful Life of Substituted Project(s):

_____ Years

The undersigned hereby certify that:

(A) The above-described Substituted Project(s) has a useful life at least equal to the remaining useful life of the Project, or portion thereof, for which it was substituted.

(B) The above-described Substituted Project(s) will be used by the District only for purposes authorized in the Lease Agreement and serves the governmental purposes of the District. The use of the Substituted Project by the District will not cause the District to violate any of its covenants, representations or warranties made in the Lease Agreement or under the provisions of the Trust Agreement.

(C) All costs involved with the substitution of the Project (or designated portion thereof) with the Substituted Project(s) shall be the responsibility of the District and the Authority shall bear no responsibility or liability for any costs of such substitution.

ZB, NATIONAL ASSOCIATION DBA ZIONS
BANK

Date:_____

By:_____

Authorized Representative

WILLIAM S. HART JOINT SCHOOL
FINANCING AUTHORITY

Date:_____

By:_____

Authority Representative

TRUST AGREEMENT

By and between

ZB, NATIONAL ASSOCIATION DBA ZIONS BANK

as Trustee

and

WILLIAM S. HART JOINT SCHOOL FINANCING AUTHORITY

as Issuer

Dated _____ 1, 2018

Relating to

\$ _____

**WILLIAM S. HART JOINT SCHOOL FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2018**

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