

TRUST AGREEMENT

Dated as of May 1, 2019

by and among

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

and the

PERRIS VALLEY SCHOOLS CAPITAL FACILITIES CORPORATION

and the

PERRIS UNION HIGH SCHOOL DISTRICT

Relating to

\$_[_____]
2019 Certificates of Participation
(School Financing Project)

TRUST AGREEMENT

THIS TRUST AGREEMENT, made and entered into as of May 1, 2019, by and among **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized under the laws of the United States of America, as trustee (the “Trustee”), the **PERRIS VALLEY SCHOOLS CAPITAL FACILITIES CORPORATION**, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, including without limitation Sections 5110 *et seq.* of the Corporations Code of the State of California, as lessor under the Lease hereinafter referred to (the “Corporation”), and the **PERRIS UNION HIGH SCHOOL DISTRICT**, a school district duly organized and existing under the Constitution and laws of the State of California, as lessee under the Lease (the “District”);

WITNESSETH:

WHEREAS, the District and the Corporation desire to finance the prepayment of certain lease obligations entered into in connection with the District’s 2007 Certificates (as defined herein), thereby prepaying such 2007 Certificates in full, and certain capital improvements to the District sites and facilities (collectively the “Project”); and

WHEREAS, to finance the Project, the District and the Corporation have entered into a Lease/Purchase Agreement, dated as of the date hereof (the “Lease”), whereby the Corporation has agreed to lease certain real property and any facilities located thereon, as further described in such Lease (the “Property”), to the District, and the District has agreed to lease the Property from the Corporation; and

WHEREAS, the District and the Corporation have authorized the sale of certificates of participation to effect the financing of the Project; and

WHEREAS, the Trustee has agreed to execute and deliver such certificates of participation designated as “Perris Union High School District 2019 Certificates of Participation (School Financing Project)” (the “Certificates”), evidencing fractional interests in the Lease Payments and prepayments made by the District under the Lease;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions and Rules of Construction. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement, have the meanings herein specified. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Trust Agreement, refer to this Trust Agreement as a whole.

“Accountant” means a nationally recognized firm of certified public accountants acceptable to the Insurer.

“Additional Certificates” means certificates of participation authorized by a supplemental Trust Agreement that are executed and delivered by the Trustee under and pursuant to Section 2.14.

“Additional Payments” means all amounts payable by the District as Additional Payments as defined in Section 4.11 of the Lease.

“Assignment Agreement” means the Assignment Agreement related to the Lease, dated as of the date hereof, by and between the Corporation and the Trustee.

“Available Coverage” means the coverage then available for disbursement pursuant to the terms of any applicable Reserve Facility without regard to the legal or financial ability or willingness of the provider of such Reserve Facility to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

“Business Day” means any day other than (i) a Saturday or Sunday, or (ii) a day on which banking institutions in the State of New York or the State of California or the state in which the Principal Office of the Trustee is located are authorized or required by law or executive order to remain closed.

“Certificate” or “Certificates” means the Perris Union High School District, 2019 Certificates of Participation (School Financing Project), and any Additional Certificates executed and delivered by the Trustee pursuant hereto.

“Certificate of Completion” means a certificate of the District Representative stating that all components of the Project have been completed or concluded in conformity with the requirements of the Lease.

“Certificate Payment Date” means April 1 and October 1 of each year commencing [October 1, 2019] with respect to the interest payments evidenced by the Certificates and October 1 of each year commencing [October 1, 2019] with respect to the principal payments evidenced by the Certificates.

“Certificate Year” shall have the meaning assigned to such term in the Tax Certificate.

“Claim” means any claim or enforcement proceeding in connection an Insolvency Proceeding.

“Closing Date” means the date on which the Certificates, duly executed by the Trustee, are delivered to the Original Purchaser thereof.

“Code” means the Internal Revenue Code of 1986, and the regulations issued thereunder, as the same may be amended from time to time, and any successor provisions of law. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate dated as of the Closing Date, executed by the District as it may be amended from time to time in accordance with the terms thereof.

“Corporation” means the Perris Valley Schools Capital Facilities Corporation, a nonprofit public benefit corporation organized under the laws of the State, its successors and assigns.

“Corporation Representative” means the Chairman, Treasurer, Secretary or chief executive officer of the Corporation, or any other person authorized to act on behalf of the Corporation under or with respect to the Lease.

“Defeasance Securities” means (i) Government Obligations, and (ii) evidences of ownership of proportionate interests in future interest and principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Government Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

“Delivery Costs” means and further includes all items of expense directly or indirectly payable by or reimbursable to the District or the Corporation relating to the Project, including but not limited to costs provided in the Contract of Purchase with the Original Purchaser premium for any insurance policies purchased to guarantee payment of the Certificates and to satisfy the Reserve Requirement, filing and recording costs, settlement costs, printing costs, word processing costs, reproduction and binding costs, initial fees and charges of the Trustee, including its first annual administration fee and the fees of its counsel, legal and financial advisory fees and charges, financing and other professional consultant fees, costs of rating agencies and costs of providing information to such rating agencies, any computer and other expenses incurred in connection with the Certificates, fees for execution, transportation and safekeeping of the Certificates and charges and fees in connection with the foregoing.

“Delivery Cost Requisition” means a written requisition substantially in the form attached as Exhibit C.

“Depository” shall mean DTC; or, such other securities depositories or to such depositories as the District may designate in writing to the Trustee, or any other securities depository acting as Depository pursuant to Section 2.12 hereof.

“District” means the Perris Union High School District, a school district organized and existing under the laws and Constitution of the State, and its successors and assigns.

“District Representative” means the Superintendent of the District, the Deputy Superintendent, Business Services of the District or any other person authorized by the Superintendent or the Deputy Superintendent, Business Services to act on behalf of the District with respect to the Lease or this Trust Agreement.

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

“Event of Default” means an event of default under the Lease, as defined in Section 9.1 thereof.

“Fiscal Year” means the fiscal year of the District commencing July 1 and ending June 30 of the next year.

“Government Obligations” means non-callable (i) United States Treasury Obligations, (ii) obligations fully and unconditionally guaranteed as to payment of principal and interest by the United States of America, or (iii) obligations fully and unconditionally guaranteed as to 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.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Corporation, the Trustee or the District.

“Information Services” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System.

“Insolvency Proceeding” means, for purposes of Section 14.12 hereof, any proceeding by or against the District commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law.

“Insurance Policy” or **“Policy”** means the municipal bond insurance policy issued by the Insurer guaranteeing the scheduled payment of principal and interest with respect to the Certificates when due.

“Insurer” means [_____], or any successor thereto or assignee thereof.

“Insurer Advances” means the total of all amounts paid by the Insurer under the Insurance Policy.

“Insurer Reimbursement Amounts” means interest on all Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum.

“Insurer’s Fiscal Agent” means the designated agent (if any) of the Insurer for purposes of Section 14.12 hereof.

“Late Payment Rate” means the lesser of (i) the greater of (a) the [Prime Rate plus 3%], and (b) the then applicable highest rate of interest with respect to the Certificates and (ii) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

“Lease” means the Lease/Purchase Agreement related to the Certificates, dated as of the date hereof, by and between the District and the Corporation, and any duly authorized and executed amendments thereto.

“Lease Payment” means any payment required to be paid by the District to the Corporation pursuant to Section 4.4 of the Lease.

“Lease Payment Date” means the Lease Payment Date defined in Section 4.4(a) of the Lease.

“Lease Payment Fund” means the fund by that name established and held by the Trustee pursuant to Article V hereof.

“Lease Proceeds” means the proceeds of re-letting or any other disposition of the Property pursuant to the Lease.

“Lessor” means the Perris Valley Schools Capital Facilities Corporation, a nonprofit public benefit corporation organized under the laws of the State, its successors and assigns.

“Letter of Representations” means the letter of the District delivered to and accepted by the Depository on or prior to delivery of the Certificates as book-entry certificates making reference to the DTC Operational Arrangements, as it may be amended from time to time setting forth the basis on which the Depository serves as depository for such book-entry certificates, as such letters were originally executed or as they may be supplemented or revised or replaced by letters from the District and the Trustee delivered to and accepted by the Depository.

“Moody’s” means Moody’s Investors Service, or any successors or assigns thereto.

“Net Proceeds” means any proceeds of any insurance, performance bonds or taking by eminent domain or condemnation paid with respect to the Property remaining after payment therefrom of any expenses (including attorneys’ fees) incurred in the collection thereof.

“Net Proceeds Fund” means the fund by that name established and held by the Trustee pursuant to Article VII hereof.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.12 hereof.

“Opinion of Counsel” means a legal opinion issued by Special Counsel addressed to the District, the Corporation, and the Trustee.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated, as original purchaser of the Certificates on the Closing Date.

“Outstanding” when used as of any particular time with respect to Certificates, means (subject to the provisions of Section 10.03 hereof) all Certificates theretofore executed and delivered by the Trustee under this Trust Agreement except:

(1) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Certificates for the payment or prepayment of which funds or Defeasance Securities, together with interest earned thereon, in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or prepayment date of such Certificates),

provided that, if such Certificates are to be prepaid prior to maturity, notice of such prepayment shall have been given as provided in Section 4.05 hereof or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(3) Certificates in lieu of or in exchange for which other Certificates shall have been executed and delivered by the Trustee pursuant to Sections 2.07 and 2.08 hereof.

“Owner” or **“Certificate Owner”** or **“Owner of a Certificate,”** or any similar term, when used with respect to a Certificate means the person in whose name such Certificate is registered on the registration books maintained by the Trustee.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

“Participating Underwriter” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(a) For all purposes, including investments to accomplish a defeasance, Defeasance Securities.

(b) For all purposes other than investments to accomplish a defeasance, any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(i) Federal Housing Administration debentures.

(ii) 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 (but not including 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 system-wide bonds and notes

-Federal Home Loan Banks (FHL Banks)

Consolidated debt obligations

-Federal National Mortgage Association (FNMA)

Senior debt obligations

Mortgage-backed securities (but not including stripped mortgage

securities which are purchased at prices exceeding their principal amounts)

-Financing Corporation (FICO)

Debt obligations

Resolution Funding Corporation (REFCORP)

Debt obligations

(iii) 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 or "Prime-1" by Moody's, which may include the Trustee and its affiliates.

(iv) Deposits in banks which have capital and surplus of at least \$15 million.

(v) Commercial paper (having original maturities of not more than 30 days) rated at the time of purchase "A-1+" or better by S&P and "Prime-1" by Moody's.

(vi) Money market funds rated in the highest rating category by S&P and Moody's, including funds for which the Trustee, its parent company, if any, or affiliates or subsidiaries thereof provide investment advising or other management services.

(vii) 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.

(viii) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (vii) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

(ix) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (vii) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(x) Pre-refunded municipal obligations rated by S&P and Moody's at least as high as direct and general obligations of the United States of America, meeting the following requirements:

1. such municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for such municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of such municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

2. such 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;

3. 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 such municipal obligations ("Verification");

4. the cash or United States Treasury Obligations serving as security for such municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

5. 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

6. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(xi) Repurchase agreements entered into with (1) 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 Moody’s; or (2) 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 “AA” by S&P and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least “AA” by S&P and “Aa” by Moody’s and acceptable to the Insurer (each an “Eligible Provider”), provided that:

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

2. the Trustee or a third party acting solely as agent therefor or for the District (the “Custodian”) has possession of the collateral or the collateral has been transferred to the Custodian in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books) and such collateral shall be marked to market;

3. the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the Trustee, the District and the Insurer setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

4. the repurchase agreement (or guaranty, if applicable) may not be assigned or amended without the prior written consent of the Insurer;

5. the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Custodian 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 Custodian is in possession);

6. all other requirements of each Rating Agency in respect of repurchase agreements shall be met.

7. the repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or S&P is withdrawn or suspended or falls below “A-” by S&P or “A3” by Moody’s, as appropriate, the provider must at the direction of the District or Trustee (who shall give such direction if so directed by the Insurer), within 10 days of receipt of such direction, repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the District or the Trustee.

Notwithstanding the above, if the repurchase agreement has a term of 270 days or less (with no evergreen provisions), collateral levels need not be as specified in (1) 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.

(xii) 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 is rated at least “AA” (stable) by S&P and “Aa” (stable) by Moody’s: or in the case of monoline financial guaranty insurance company, claims paying ability of the guarantor is rated at least as high as direct and general obligations of the United States of America by S&P and Moody’s, provided that, by the terms of the investment agreement:

1. interest payments are to be made to the Trustee at times and in amounts as necessary to pay Lease Payments (or, if the investment agreement is for the construction fund, construction draws) with respect to the Certificates;

2. the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days’ prior notice; the District and the Trustee 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;

3. the provider shall send monthly reports to the Trustee, the District and the Insurer setting forth the balance the District or Trustee has invested with the provider and the amounts and dates of interest accrued and paid by the provider;

4. the investment agreement shall state that is an unconditional and general obligation of the provider, 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;

5. the investment agreement (or guaranty, if applicable) may not be assigned or amended without the prior written consent of the Insurer;

6. the District, the Trustee and the Insurer shall receive an opinion of domestic counsel (which shall be addressed to the District and the Insurer) to the provider that such investment agreement is legal, valid, binding and enforceable against the provider in accordance with its terms;

7. the District, the Trustee and the Insurer shall receive an opinion of foreign counsel to the provider (if applicable), in form and substance acceptable to, and addressed to the District, the Trustee and the Insurer, that (1) the investment agreement has been duly authorized, executed and delivered by the provider and constitutes the legal, valid and binding obligation of the provider, enforceable against the provider in accordance with its terms, (b) the choice of law of the state set forth in the investment agreement is valid under that country’s laws and a court in such country would uphold such choice of law, and (c) any judgment rendered by a court in the United States would be recognized and enforceable in such country;

8. the investment agreement shall provide that if during its term:

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (i) 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 District, the Trustee or a third party acting solely as an agent therefor (a "Custodian") 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 (ii) repay the principal of and accrued but unpaid interest on the investment; and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," the provider must, at the direction of the District or the Trustee (who shall give such direction if so directed by the Insurer), within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the District or Trustee.

9. in the event the provider is required to collateralize, permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers) and collateral levels must be 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral"). In addition, the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the Trustee, the District and the Insurer setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

10. 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 Custodian 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 Custodian in possession); and

11. 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 District or the Trustee (who shall give such direction if so directed by the Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the District 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 District or Trustee, as appropriate; and

(xiii) Deposits in the Local Agency Investment Fund of the California State Treasurer, to the extent the Trustee is authorized to register such investments in its name.

"Policy Costs" means costs owed to the Insurer and representing the repayment of draws on the Reserve Policy and the payment of expenses and accrued interest thereon, at the Late Payment Rate.

[**“Policy Payments Account”** means the special purpose trust account established by the Trustee pursuant to Section 14.12(g)(iv) hereof for the benefit of the Certificate Owners, and over which the Trustee shall have exclusive control and sole right of withdrawal.]

“Prepayment” means any payment made by the District pursuant to Article X of the Lease as a prepayment of Lease Payments.

“Prepayment Fund” means the fund by that name established and held by the Trustee pursuant to Article IV hereof.

“Prime Rate” means the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank). In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify.

“Principal Office” means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as the Trustee may inform the District of, provided that for transfer, exchange, registration, surrender and payment of Certificates, such term means the office or agency of the Trustee in St. Paul, Minnesota, or such other address as the Trustee may inform the District, or the principal office of any successor trustee pursuant hereto.

“Project” means the Project described in Exhibit C to the Lease, and any and all substitutions thereto as provided in the Lease.

“Project Cost Requisition” means a written requisition substantially in the form attached hereto as Exhibit C.

“Project Costs” means, with respect to any item or portion of the Project, the contract price paid or to be paid therefor upon acquisition, construction, procurement or improvement thereof, in accordance with a purchase order or contract therefor. Project Costs include, but are not limited to, the administrative, engineering, legal, financial and other costs incurred by the District and the Corporation in connection with the acquisition, construction, procurement, remodeling or improvement of the Project, all applicable sales taxes and other charges resulting from such construction, procurement, remodeling or improvement of the Project and the costs associated with making rebate calculations required by the Code.

“Project Fund” means the fund by that name established and held by the Trustee pursuant to Article III hereof.

“Property” has the meaning given to such term in the recitals to this Trust Agreement.

“Rating Agency” means any nationally-recognized credit rating agency that maintains a current credit rating with respect to the Certificates.

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

“Related Document” means, for purposes of Section 14.12 hereof, each of the Lease, the Site Lease and the Assignment Agreement.

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

“Reserve Fund” means the fund by that name established and held by the Trustee pursuant to Article VI hereof.

“Reserve Policy” means the municipal bond debt service reserve insurance policy issued by the Insurer to initially satisfy the Reserve Requirement.

“Reserve Replenishment Rent” means Reserve Replenishment Rent payable pursuant to Section 4.4(d) of the Lease.

“Reserve Requirement” means, as of any calculation date, the lesser of (1) the maximum aggregate annual Lease Payments (in any Certificate Year) then payable under the Lease, (2) 125% of the average annual aggregate Lease Payments (in any Certificate Year) then payable under the Lease, (3) 10% of the original face amount of the Certificates and/or the Additional Certificates, as applicable (less original issue discount if in excess of two percent (2%) of the stated prepayment amount at maturity), and (4) \$_____, the initial Reserve Requirement.

“Responsible Officer” means, with respect to the Trustee, the president, every vice president, every assistant vice president, every trust officer and every officer and assistant officer of the Trustee, other than those specifically above mentioned, to whom any corporate trust matter relating to this Trust Agreement is referred because of his or her knowledge of and familiarity with, a particular subject.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, or any successors or assigns thereto.

“Site Lease” means the Site Lease related to the Certificates, dated the date hereof, by and between the Corporation and the District.

“Special Counsel” means Stradling Yocca Carlson & Rauth, a Professional Corporation, or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions and acceptable to the District.

“State” means the State of California.

“Tax Certificate” means the Tax Certificate of the District, dated as of the Closing Date, concerning matters pertaining to the use and investment of proceeds of the Certificates executed and delivered to the District on the date of execution and delivery of the Certificates, including any and all exhibits attached thereto.

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

“**Trustee**” means U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, and any successor thereto.

“**Trust Agreement**” or “**Agreement**” means this Trust Agreement, together with any amendments hereof or supplements hereto permitted to be made hereunder.

“**United States Treasury Obligations**” means non-callable direct obligations of the United States of America (other than obligations subject to variation in principal repayment).

“**2007 Certificates**” means the District’s 2007 Certificates of Participation (School Refinancing Project) executed and delivered on December 20, 2007.

“**2007 Certificates Lease**” means the Lease/Purchase Agreement, dated as of December 1, 2007, by and between the District and the Corporation, relating to the 2007 Certificates.

“**2007 Certificates Trust Agreement**” means the Trust Agreement, dated as of December 1, 2007, by and among the District, the Corporation and the 2007 Certificates Trustee, relating to the 2007 Certificates.

“**2007 Certificates Trustee**” means the U.S. Bank National Association, as trustee with respect to the 2007 Certificates, pursuant to the 2007 Certificates Trust Agreement.

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

SECTION 1.03. Equal Security. In consideration of the acceptance of the Certificates 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, if any, and principal represented by the Certificates which may be executed and delivered 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 Certificates over any other Certificates by reason of the number or date thereof or the time of execution or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein. All of the Certificates are equally secured as provided in this Section 1.03, except as may be otherwise expressly provided in this Trust Agreement.

ARTICLE II

THE CERTIFICATES OF PARTICIPATION

SECTION 2.01. Authorization. Upon written request of the District Representative the Trustee will execute and deliver to the Original Purchaser, Certificates in an aggregate principal amount of \$[_____], and representing fractional ownership interests in the Lease Payments and the Prepayments. Each Certificate shall be dated the date of their delivery, and interest shall be payable from the Certificate Payment Date next preceding the date of execution thereof, unless:

(a) it is executed as of a Certificate Payment Date, in which event interest with respect thereto shall be payable from the date thereof; or

(b) it is executed after a Record Date and before the following Certificate Payment Date, in which event interest with respect thereto shall be payable from such following Certificate Payment Date; or

(c) it is executed on or prior to September 15, 2019, in which event interest with respect thereto shall be payable from the date of delivery; provided, however, that if, as of any date, interest has not been paid when due with respect to any Outstanding Certificate, interest with respect to such Certificate shall be payable from the Certificate Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Certificates.

SECTION 2.02. Maturity; Interest Rates.

(a) The Certificates shall be issued in the following principal amounts, mature on October 1 of the following years and shall represent interest at the following rates:

<u>Maturity</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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SECTION 2.03. Registration; Interest. The Certificates shall be delivered in the form of fully registered Certificates, without coupons, in denominations of \$5,000 principal amount and any integral multiple thereof. The Certificates shall be numbered from “R-1” upwards in consecutive numerical order.

Interest with respect to the Certificates shall be payable semiannually on April 1 and October 1 of each year, commencing [October 1, 2019], to the date of maturity or prepayment, whichever is earlier. Said interest shall represent the portion of Lease Payments designated as interest and coming due during the six-month period preceding each Certificate Payment Date with respect to the

Certificates computed on the basis of a 360-day year of twelve 30-day months. The proportionate share of the portion of Lease Payments designated as interest with respect to any Certificate shall be computed by multiplying the portion of Lease Payments designated as principal with respect to such Certificate by the rate of interest applicable to such Certificate.

SECTION 2.04. Form of Certificates. The Certificates and the assignment to appear thereon shall be substantially in the form set forth in Exhibit A attached hereto and by this reference incorporated herein with such appropriate additions, modifications and insertions as are permitted or required by this Trust Agreement. Pending the preparation of definitive Certificates the Certificates may be executed and delivered in temporary form exchangeable for definitive Certificates when ready for delivery. If the Trustee delivers temporary Certificates, it shall execute and deliver definitive Certificates in an equal aggregate principal amount of authorized denominations, when available, without additional charge, and thereupon the temporary Certificates shall be surrendered to the Trustee at its Principal Office. Until so exchanged, the temporary Certificates shall be entitled to the same benefits under this Trust Agreement as definitive Certificates.

SECTION 2.05. Execution. The Certificates shall be executed by and in the name of the Trustee by the manual signature of any authorized signatory of the Trustee. The Trustee shall insert the date of execution of each Certificate in the place provided thereon.

SECTION 2.06. Application of Proceeds and Other Amounts. Amounts received by the Trustee as the proceeds from the sale of the Certificates in the amount of \$[_____] (representing an aggregate par amount of \$[_____] , [plus/less] [net/aggregate] original issue [premium/discount] of \$[_____] , less the underwriting discount of \$[_____] , less the Insurance Policy premium and Reserve Policy premium of \$[_____] and \$[_____] , respectively, each of which shall be wired directly by the Original Purchaser to the Insurer), shall be deposited with the Trustee and then deposited or transferred by the Trustee as follows:

(a) The Trustee shall transfer \$[_____] to the 2007 Certificates Trustee to be used to prepay the Districts remaining obligations under the 2007 Certificates Lease, and to cause the prepayment of the 2007 Certificates in full, per instructions of the District.

(b) The remaining net proceeds of the Certificates shall be deposited as follows:

(i) Project Fund: The Trustee shall deposit \$[_____] in the Project Fund, of which \$[_____] represents Project Costs and \$[_____] represents Delivery Costs.

(ii) Lease Payment Fund: The Trustee shall deposit \$[_____] in the Lease Payment Fund.

The Trustee may, in its discretion, establish a temporary funds or accounts in its books or records to facilitate such deposits.

SECTION 2.07. Transfer and Exchange.

(a) Transfer of Certificates. Any Certificate may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.12 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of

such Certificate for cancellation at the Principal Office accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates of the same maturity and interest rate, for like aggregate principal amount in authorized denominations. The cost of printing Certificates and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the District. The Trustee shall require the payment by the Certificate Owner requesting such transfer of any tax or governmental charge required to be paid with respect to such transfer, and there shall be no other charge to any Certificate Owner for any such transfer.

(b) Exchange of Certificates. Certificates may be exchanged at the Principal Office for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity and interest rate. The Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing Certificates and any services rendered or expenses incurred by the Trustee in connection with any transfer or exchange shall be paid by the District. All Certificates surrendered pursuant to the provisions of this Section shall be cancelled and destroyed by the Trustee and shall not be redelivered.

(c) Time for Transfer or Exchange. The Trustee shall not be obligated to transfer or exchange any Certificate after a Record Date and before the following Certificate Payment Date, or during the period in which it is selecting Certificates for prepayment, or after notice of prepayment has been given as provided in Section 4.06.

SECTION 2.08. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner of said Certificate, shall execute and deliver a new Certificate of like tenor and maturity in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be cancelled by it. If any Certificate 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 indemnifying the Trustee, the Corporation and the District, shall be given, the Trustee, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like tenor and maturity and numbered as the Trustee shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Certificate delivered under this Section and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section. Any Certificate executed under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Certificate in place of one which has been mutilated, lost, destroyed or stolen, and which has matured, or has been called for prepayment, the Trustee may make payment with respect to such Certificate upon receipt of the above-mentioned indemnity.

SECTION 2.09. Payment. Subject to the provisions of the Letter of Representation, payment of interest with respect to any Certificate on any Certificate Payment Date or prepayment date shall be made to the person appearing on the registration books of the Trustee as the Owner thereof as of the Record Date immediately preceding such Certificate Payment Date or prepayment date, as the case may be, such interest to be paid to such Owner on the Certificate Payment Date at by wire transfer to the bank and account number within the United States of America on file with the Trustee as of the Record Date. Payments of defaulted interest shall be paid by check of the Trustee mailed by first class mail to the registered Owners 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 not less than 15 days prior to such special record date. Subject to the provisions of the Letter of Representation, the principal payable upon maturity or prepayment with respect to the Certificates shall be payable upon surrender at the Principal Office. Said amounts shall be payable in lawful money of the United States of America. The Trustee is hereby authorized to pay or prepay the Certificates when duly presented for payment at maturity or on prepayment and to cancel all Certificates upon payment thereof.

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

(a) The fact and date of the execution by any Owner or 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.

(b) The fact of the ownership of Certificates by any person, the amount and numbers of such Certificates and the date of execution shall be proved by the registration books maintained pursuant to Section 2.12 hereof.

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 the Trustee may deem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or to be done by the Trustee in pursuance of such request or consent.

SECTION 2.11. Certificate Register. The Trustee will keep or cause to be kept at its Principal Office sufficient books for the registration and transfer of the Certificates which shall, during normal working hours and upon reasonable notice, be open to inspection by the District, the Corporation, and the Trustee (or its designated agent); and, upon presentation for such purpose, the

Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Certificates as hereinbefore provided. The District, the Corporation and the Trustee shall be entitled to treat the registered Owner of a Certificate as the absolute Owner thereof for all purposes, whether or not a Certificate shall be overdue, and the District, the Corporation and the Trustee shall not be affected by any notice to the contrary.

SECTION 2.12. Book-Entry System.

(a) Election of Book-Entry System. Prior to the execution and delivery of the Certificates, the District may provide that such Certificates shall be initially executed and delivered as book-entry Certificates. If the District shall elect to deliver any Certificates in book-entry, then the District shall cause the delivery of a separate single fully registered Certificate (which may be typewritten) for each maturity date of such Certificates in an authorized denomination corresponding to that total principal amount of the Certificates designated to mature on such date. Upon initial execution and delivery, the ownership of each such Certificate shall be registered in the Certificate register in the name of the Nominee, as nominee of the Depository and ownership of the Certificates, or any portion thereof may not thereafter be transferred except as provided in Section 2.12(e).

With respect to book-entry Certificates, the District and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Certificates. Without limiting the immediately preceding sentence, the District and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Certificates, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Certificate register, of any notice with respect to book-entry Certificates, including any notice of prepayment, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Certificates to be prepaid in the event the District prepays the Certificates in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to principal, premium, if any, or interest evidenced and represented by book-entry Certificates. The District and the Trustee may treat and consider the person in whose name each book-entry Certificate is registered in the Certificate register as the absolute Owner of such book-entry Certificate for the purpose of payment of principal, premium and interest with respect to such Certificate, for the purpose of giving notices of prepayment and other matters with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Trustee shall pay all principal, premium, if any, and interest evidenced and represented by the Certificates only to or upon the order of the respective Owner, as shown in the Certificate register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal, premium, if any, and interest evidenced and represented by the Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Certificate register, shall receive a Certificate evidencing the obligation to make payments of principal, premium, if any, and interest evidenced and represented by the Certificates. Upon delivery by the Depository to the Owner and the Trustee, 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 Dates, the word "Nominee" in this Trust Agreement shall refer to such nominee of the Depository.

(b) Delivery of Letter of Representations. In order to qualify the book-entry Certificates for the Depository's book-entry system, the District shall execute and deliver to the

Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District any obligation whatsoever with respect to persons having interests in such book-entry Certificates other than the Owners, as shown on the Certificate register. In addition to the execution and delivery of a Letter of Representations, the District shall take such other actions, not inconsistent with this Trust Agreement, as are reasonably necessary to qualify book-entry Certificates for the Depository's book-entry program.

(c) Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book-entry Certificates, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the Beneficial Owners of the Certificates or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered Certificate for each of the maturity dates of such book-entry Certificates, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (e) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Certificates shall no longer be restricted to being registered in such Certificate register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Certificates shall designate, in accordance with the provisions of Section 2.07 hereof.

(d) Payments to Depository. Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Outstanding Certificates are held in book-entry and registered in the name of the Nominee, all payments with respect to principal, prepayment premium, if any, and interest evidenced and represented by such Certificate and all notices with respect to such Certificate shall be made and given, respectively to the Nominees, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Trustee notwithstanding any inconsistent provisions herein.

(e) Transfer of Certificates to Substitute Depository.

(i) The Certificates shall be initially executed and delivered as provided in Section 2.01 hereof. If such Certificates are initially registered in the name of the Nominee, then registered ownership of such Certificates, or any portions thereof, may not thereafter be transferred except:

(A) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to clause (B) of subsection (i) of this Section 2.12(e) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(B) to any Substitute Depository, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(C) to any person as provided below, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository,

or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(ii) In the case of any transfer pursuant to clause (A) or clause (B) of subsection (i) of this Section 2.12(e), upon receipt of all Outstanding Certificates by the Trustee, together with a written request of the District to the Trustee designating the Substitute Depository, a single new Certificate, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Certificates then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to clause (C) of subsection (i) of this Section 2.12(e), upon receipt of all Outstanding Certificates by the Trustee, together with a written request of the District to the Trustee, new Certificates, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, subject to the limitations of Section 2.01 hereof, provided that the Trustee shall not be required to deliver such new Certificates within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(iii) In the case of a partial prepayment or an advance refunding of any Certificates evidencing a portion of the principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Certificates indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee, all in accordance with the Letter of Representations. The Trustee shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(iv) The District and the Trustee shall be entitled to treat the person in whose name any Certificate is registered as the Owner thereof for all purposes of this Trust Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the District; and the District and the Trustee shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Certificates. Neither the District nor the Trustee shall have any responsibility or obligation, legal or otherwise, to any such Beneficial Owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Certificates, and the Trustee may rely conclusively on its records as to the identity of the Owners of the Certificates.

SECTION 2.13. Destruction of Cancelled Certificates. Whenever in this Trust Agreement provision is made for the surrender or cancellation by the Trustee and the delivery to the District of any Certificates, the Trustee will cancel and destroy such Certificates and deliver a certificate of such destruction to the District upon its request.

SECTION 2.14. Additional Certificates. Subsequent to the execution and delivery by the Trustee of the Certificates, and with the prior written consent of the Insurer, the Trustee shall upon written request or requests of the District Representative and the Corporation Representative, execute and deliver from time to time one or more series of Additional Certificates in such aggregate principal amount as may be set forth in such written request or requests, provided that there shall have been compliance with all of the following conditions, which are hereby made conditions precedent to the preparation, execution and delivery of such Additional Certificates:

(a) The parties to this Trust Agreement shall have executed a supplemental agreement setting forth the terms and provisions of such Additional Certificates, including the

establishment of such funds and accounts, separate and apart from the funds and accounts established hereunder for the Certificates executed and delivered on the Closing Date, as shall be necessary or appropriate, which supplemental agreement shall require that prior to the delivery of such Additional Certificates the Reserve Requirement with respect to such Additional Certificates shall be on deposit in the Reserve Fund established hereunder, including amounts available under any Reserve Facilities, or in a reserve fund established under such supplemental agreement;

(b) The principal and interest payable with respect to such Additional Certificates and any premium payable upon prepayment of such Additional Certificates shall be payable only on Certificate Payment Dates applicable to the Certificates;

(c) The Lease shall have been amended by the parties thereto if necessary to (i) increase or adjust the Lease Payments due and payable on each Lease Payment Date to an amount sufficient to pay the principal, premium (if any) and interest payable with respect to all Outstanding Certificates, including all Additional Certificates as and when the same mature or become due and payable (except to the extent such principal, premium and interest may be payable out of moneys then in the Reserve Fund or otherwise on deposit with the Trustee in accordance with this Trust Agreement), (ii) if appropriate, amend the definition of "Property" to include as part of the Property all or any portion of additions, betterments, extensions, improvements or replacements, or such other real or personal property (whether or not located upon the Property as such Property is constituted as of the date of this Trust Agreement), to be financed, acquired or constructed by the preparation, execution and delivery of such Additional Certificates, and (iii) make such other revisions to the Lease as are necessitated by the execution and delivery of such Additional Certificates (provided, however, that such other revisions shall not prejudice the rights of the Owners of Outstanding Certificates as granted them under the terms of this Trust Agreement);

(d) There shall have been delivered to the Trustee a counterpart of the amendments required by subsection 2.14(c) hereof;

(e) The Trustee shall have received a certificate of the Corporation Representative that there exists on the part of the Corporation no Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default);

(f) The Trustee shall have received a certificate of the District Representative that (i) there exists on the part of the District no Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) and (ii) the Lease Payments as increased or adjusted do not exceed in any year the fair rental value of the Property (as such term is defined in the amended Lease);

(g) The Trustee shall have received an opinion of Special Counsel substantially to the effect that (i) said supplemental agreement and said amendments to the Lease comply in all respects with the requirements of this Section 2.14, (ii) said supplemental agreement and said amendments to the Lease have been duly authorized, executed and delivered by each of the respective parties thereto (provided that said opinion of Special Counsel, in rendering the opinions set forth in this clause (ii), shall be entitled to rely upon one or more other opinions of counsel, including counsel to any of the respective parties to said supplemental agreement or said amendments to the Lease), (iii) assuming that no Event of Default has occurred and is continuing, this Trust Agreement, as amended by said supplemental agreement, and the Lease, as amended by the respective amendments thereto, constitute the legal, valid and binding obligations of the

respective parties thereto, enforceable against said parties in accordance with their respective terms (except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, moratorium, debt adjustment or other laws affecting creditors' rights generally, and except to the extent that enforcement thereof may be limited by general principles of equity, regardless of whether enforcement is sought in a legal or equitable proceeding) and (iv) the execution of such supplemental agreement and said amendments to the Lease, and performance by the parties thereunder, will not, in and of itself, result in the inclusion of the interest portion of any Lease Payments payable with respect to the Certificates, including Additional Certificates, theretofore prepared, executed and delivered, in the gross income of the Owners of the Certificates for purposes of federal income taxation;

(h) The District shall have provided each Rating Agency written notice of the proposed execution and delivery of such Additional Certificates.

(i) There shall have been delivered to the Trustee an endorsement to or reissuance of the title insurance policy delivered under Section 5.5 of the Lease providing that the insured amount is at least equal to the aggregate principal amount of all of the Certificates and Additional Certificates outstanding upon the execution and delivery of such Additional Certificates;

(j) Upon the execution and delivery of such Additional Certificates, the amount on deposit in the Reserve Fund, together with any amounts available under Reserve Facilities on deposit therein, shall be equal to the Reserve Requirement, taking into account the execution of the Additional Certificates; and

(k) Such other conditions shall have been satisfied, and such other instruments shall have been duly executed and delivered to the Trustee (with a copy to the Rating Agencies), as the District or the Corporation shall have reasonably requested.

Upon delivery to the Trustee of the foregoing instruments, the Trustee shall cause to be executed and delivered Additional Certificates representing the aggregate principal amount specified in such supplemental agreement, and such Additional Certificates shall be equally and ratably secured with all Certificates, including any Additional Certificates, theretofore prepared, executed and delivered, all without preference, priority or distinction (other than with respect to maturity, payment, prepayment or sinking fund payment (if any)) of any one Certificate, including Additional Certificates, over any other; provided, however, that no provision of this Trust Agreement shall require the District to consent to or otherwise permit the preparation, execution and delivery of Additional Certificates, it being understood and agreed that any such consent or other action of the District to permit the preparation, execution and delivery of Additional Certificates, or lack thereof, shall be in the sole discretion of the District.

ARTICLE III

PROJECT FUND

SECTION 3.01. Establishment of Project Fund. The Trustee shall establish a special fund designated as the "Perris Union High School District 2019 Certificates of Participation (School Financing Project) Project Fund," referred to herein as the "Project Fund"; shall keep the Project Fund separate and apart from all other funds and moneys held by it; and shall administer such

fund as herein provided. The Project Fund shall be held and applied by the Trustee in accordance herewith.

SECTION 3.02. Purpose. Moneys in the Project Fund shall be expended for Project Costs and Delivery Costs.

SECTION 3.03. Deposit of Moneys; Payment of Project Costs and Delivery Costs.

(a) **Deposits.** There shall be credited to the Project Fund the following amounts: (1) the proceeds of sale of the Certificates required to be deposited therein pursuant to Section 2.06(b)(i) hereof; (2) all investment earnings on moneys held in the various accounts of the Project Fund, which shall remain in the account of the Project Fund which generated such earnings until expended or applied to the prepayment of Certificates, as described in Section 4.03 below; and (3) any other deposits made to the Project Fund by the District.

(b) **Disbursements.** The Trustee shall disburse moneys in the Project Fund from time to time to pay Project Costs directly or to reimburse the District for payment of Project Costs, upon receipt (either by mail or by facsimile transmission) by the Trustee of a Project Cost Requisition signed by the District Representative. The Trustee shall disburse moneys from the Project Fund to pay Delivery Costs or to reimburse the District for payment of such Delivery Costs upon receipt by the Trustee of a Delivery Cost Requisition signed by the District Representative. The Trustee shall be absolutely protected in making any such disbursements in reliance upon a Project Cost Requisition or Delivery Cost Requisition, as applicable, signed by the District Representative. Each such Project Cost or Delivery Cost Requisition signed by the District Representative 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.

SECTION 3.04. Transfers of Unexpended Proceeds. Upon the filing with the Trustee of the Certificate of Completion pursuant to Section 3.4 of the Lease, the Trustee shall withdraw all remaining moneys in the Project Fund (other than any moneys retained therein to pay Project Costs not then due and payable and certified by the District Representative) and shall either transfer such moneys to the Lease Payment Fund to be applied to the payment of principal and interest evidenced by the Certificates as prescribed in Section 5.04 hereof, or at the written election of the District, shall transfer such moneys to the Prepayment Fund to be applied to the prepayment of Certificates as described in Section 4.03 hereof or to the District for the purpose of capital expenditures of the District and, following final disbursement of any moneys retained in the Project Fund to pay Project Costs, shall close the Project Fund.

ARTICLE IV

PREPAYMENT OF CERTIFICATES

SECTION 4.01. Establishment of Prepayment Fund. The Trustee shall establish a special fund designated as the “Perris Union High School District 2019 Certificates of Participation (School Financing Project) Prepayment Fund,” referred to herein as the “Prepayment Fund”; shall keep such fund separate and apart from all other funds and moneys held by it; and shall administer such fund as herein provided. Moneys to be used for prepayment of the Certificates shall be deposited into the Prepayment Fund and used solely for the purpose of prepaying the Certificates in

advance of their maturity on the date designated for prepayment and upon presentation and surrender of such Certificates to the Trustee.

SECTION 4.02. Extraordinary Prepayment. The Certificates are subject to prepayment prior to their respective maturity dates on any day, in whole or in part, from Net Proceeds which the Trustee shall deposit in the Prepayment Fund as provided in Section 6.1(c) of the Lease at least 45 days prior to the date set for such extraordinary prepayment and credited towards the prepayment made by the District pursuant to Section 10.2 of the Lease, at a prepayment price equal to the principal amount represented thereby, plus accrued interest with respect thereto to the date fixed for prepayment, without premium.

SECTION 4.03. Optional Prepayment.

(a) Optional Prepayment. The Certificates evidencing principal maturing on or after October 1, 20__ are subject to optional prepayment prior to their stated maturities, in whole or in part, on any day on or after October 1, 20__, from any lawfully available source of funds in the event the District exercises its option under the Lease to prepay the principal component of the Lease Payments (in integral multiples of \$5,000), at the principal amount thereof, plus accrued interest to the date fixed for prepayment, without premium.

(b) In the event the District gives notice to the Trustee of its intention to exercise the options described in subsections (a) above, but fails to deposit with the Trustee on or prior to the prepayment date an amount equal to the prepayment price, the District will continue to pay the Lease Payments as if no such notice had been given.

SECTION 4.04. Mandatory Sinking Fund Prepayment.

The Certificates evidencing principal maturing on October 1, 20__, are subject to prepayment prior to maturity from mandatory sinking fund prepayments of the principal component of Lease Payments, on October 1 of each year on and after October 1, 20__, at a prepayment price equal to the principal amount thereof, plus accrued interest to the date fixed for prepayment, without premium. The principal component of such Lease Payments to be so prepaid and the dates therefor and the final payment date is as indicated in the following table:

<u>Year Ending</u> <u>October 1</u>	<u>Principal Component</u> <u>To Be Prepaid</u>
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The Certificates evidencing principal maturing on October 1, 20__, are subject to prepayment prior to maturity from mandatory sinking fund prepayments of the principal component of Lease Payments, on October 1 of each year on and after October 1, 20__, at a prepayment price equal to the principal amount thereof, plus accrued interest to the date fixed for prepayment, without premium. The principal component of such Lease Payments to be so prepaid and the dates therefor and the final payment date is as indicated in the following table:

Year Ending **Principal Component**
October 1 **To Be Prepaid**

SECTION 4.05. Selection of Certificates for Prepayment. Whenever provision is made in this Trust Agreement for prepayment of Certificates (other than prepayment pursuant to Section 4.04), the Trustee shall select Certificates for prepayment, from the Outstanding Certificates not previously called for prepayment, as directed by the District or, if the District does not so direct, pro rata among maturities and by lot within each maturity. The Trustee shall promptly notify the District in writing of the Certificates so selected for prepayment by mailing to the District copies of the notice of prepayment provided for in Section 4.06.

SECTION 4.06. Notice of Prepayment.

(a) Content. When extraordinary or optional prepayment is authorized or required pursuant to this Article IV, the Trustee shall give notice of the prepayment of the Certificates. Such notice shall specify: (a) the prepayment date, (b) the prepayment price, (c) if less than all of the Outstanding Certificates are to be prepaid, the Certificate numbers (and in the case of partial prepayment, the respective principal amounts), (d) the CUSIP numbers of the Certificates to be prepaid, (e) the place or places where the prepayment will be made, (f) the original date of execution and delivery of the Certificates, (g) the rate of interest payable with respect to each Certificate being prepaid, and (h) any other descriptive information regarding the Certificates needed to identify accurately the Certificates being prepaid. Such notice shall further state that on the specified date there shall become due and payable upon each Certificate to be prepaid, the portion of the principal amount of such Certificate to be prepaid, together with interest accrued to said date, and that from and after such date, interest with respect thereto shall cease to accrue and be payable.

(b) Recipients; Timing. Notice of such prepayment shall be sent (i) by registered or certified mail, postage prepaid, telephonically confirmed facsimile transmission, or overnight delivery service, to the Depository on the date of mailing of notice to the Owners, (ii) by registered or certified mail, postage prepaid, or overnight delivery service to the national Information Services that disseminate securities redemption notices, on the date notice is mailed to the Owners, (iii) by registered or certified mail, postage prepaid, to the Corporation and the respective Owners of any Certificates designated for prepayment at their addresses appearing on the Certificate registration books, at least twenty (20) days, but not more than forty-five (45) days, prior to the prepayment date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of such Certificates. Notice of prepayment shall also be sent as required by the Continuing Disclosure Certificate.

(c) Rescission of Notice of Prepayment. With respect to any notice of prepayment of Certificates pursuant to Section 4.06 hereof, unless upon the giving of such notice such Certificates shall be deemed to have been defeased pursuant to Section 14.01 hereof, such notice shall state that such prepayment shall be conditional upon the receipt by the Trustee, or an independent escrow agent selected by the District, on or prior to the date fixed for such prepayment of the moneys necessary and sufficient to pay the principal, premium, if any, and interest with respect

to such Certificates to be prepaid, and that if such moneys shall not have been so received said notice shall be of no force and effect, the Certificates shall not be subject to prepayment on such date and the Certificates shall not be required to be prepaid on such date. In the event that such notice of prepayment contains such a condition and such moneys are not so received, the prepayment shall not be made and the Trustee shall within a reasonable time thereafter give notice, to the persons to whom and in the manner in which the notice of prepayment was given, that such moneys were not so received.

SECTION 4.07. Partial Prepayment of Certificates. Upon surrender by the Owner of a Certificate for partial prepayment at the Principal Office, payment of such partial prepayment of the principal amount of a Certificate will be paid to such Owner. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the registered Owner thereof, at the expense of the District, a new Certificate or Certificates which shall be of authorized denominations equal in aggregate principal amount to the unprepaid portion of the Certificate surrendered and of the same interest rate and the same maturity. Such partial prepayment shall be valid upon payment of the amount thereby required to be paid to such Owner, and the District, the Corporation and the Trustee shall be released and discharged from all liability to the extent of such payment.

SECTION 4.08. Effect of Notice of Prepayment. Notice having been given to the Owners of the Certificates as aforesaid, and the moneys for the prepayment (including the interest to the applicable date of prepayment), having been set aside in the Prepayment Fund or as otherwise permitted hereby, the Certificates shall become due and payable on said date of prepayment, and, upon presentation and surrender thereof at the Principal Office, said Certificates shall be paid at the prepayment price with respect thereto, plus interest accrued and unpaid to said date of prepayment.

If, on said date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, together with interest to said date of prepayment, shall be held by the Trustee (or such other escrow agent as shall be selected by the District) so as to be available therefor on such date of prepayment, and, if notice of prepayment thereof shall have been given as aforesaid, then, from and after said date of prepayment, interest with respect to the Certificates to be prepaid shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the prepayment of Certificates shall be held in trust for the account of the Owners of the Certificates so to be prepaid, without liability for interest thereon.

All Certificates paid at maturity or prepaid prior to maturity pursuant to the provisions of this Article shall be cancelled upon surrender thereof and destroyed.

SECTION 4.09. Surplus. Any funds remaining in the Prepayment Fund after prepayment and payment of all Certificates Outstanding, including payment of any applicable fees and expenses to the Trustee pursuant to Sections 9.06 and 9.07 hereof, amounts owed to the Insurer, and any other Additional Payments payable under the Lease or provision made therefor satisfactory to the Trustee, and provision for any amounts required to be transferred to the Rebate Fund pursuant to Section 8.08 hereof, shall be withdrawn by the Trustee and remitted to the District.

ARTICLE V

LEASE PAYMENTS; LEASE PAYMENT FUND

SECTION 5.01. Security Provisions.

(a) Assignment of Rights in Lease and Site Lease. The Corporation has, pursuant to the Assignment Agreement, assigned and set over to the Trustee certain of its rights in the Lease and Site Lease, including but not limited to all of the Corporation's rights to receive and collect all of the Lease Payments, Prepayments, Reserve Replenishment Rent and all other amounts required to be deposited in the Lease Payment Fund pursuant to the Lease and the Site Lease or pursuant hereto. All such Lease Payments, Prepayments, Reserve Replenishment Rent and such other amounts to which the Corporation may at any time be entitled (other than amounts due to the Corporation under Section 4.11 of the Lease) shall be paid directly to the Trustee, and all of the Lease Payments, Prepayments and Reserve Replenishment Rent collected or received by the Corporation shall be deemed to be held and to have been collected or received by the Corporation as the agent of the Trustee and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within five Business Days after the receipt thereof, and all such Lease Payments shall be forthwith deposited by the Trustee upon the receipt thereof in the Lease Payment Fund, all such Prepayments shall be forthwith deposited by the Trustee upon the receipt thereof in the Prepayment Fund, and all such Reserve Replenishment Rent shall be forthwith deposited by the Trustee upon the receipt thereof in the Reserve Fund.

(b) Security Interest in Moneys and Funds. The Corporation and the District, as their interests may appear, hereby grant to the Trustee for the benefit of the Owners a lien on and a security interest in all moneys in the funds held by the Trustee under this Trust Agreement (excepting only the Project Fund and the Rebate Fund), including without limitation, the Lease Payment Fund, the Reserve Fund (including payments of Reserve Replenishment Rent pursuant to Section 6.02(e) hereof), the Prepayment Fund and the Net Proceeds 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.

(c) Pledge of Lease Payments and Lease Proceeds. The Lease Payments and any Lease Proceeds are hereby irrevocably pledged to and shall be used for the punctual payment of the interest and principal represented by the Certificates and the Lease Payments and Lease Proceeds shall not be used for any other purpose while any of the Certificates remain Outstanding. This pledge shall constitute a first lien on the Lease Payments and Lease Proceeds in accordance with the terms hereof, subject to Section 9.06 hereof.

SECTION 5.02. Establishment of Lease Payment Fund. The Trustee shall establish a special fund designated as the "Perris Union High School District 2019 Certificates of Participation (School Financing Project) Lease Payment Fund." All moneys at any time from whatever source deposited by the Trustee in the Lease Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the Certificates. So long as any Certificates are Outstanding, neither the District nor the Corporation shall have any beneficial right or interest in the Lease Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

SECTION 5.03. Deposits. There shall be deposited in the Lease Payment Fund all Lease Payments and in the Prepayment Fund all Prepayments received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to Section 2.06 hereof and Section 4.4 of the Lease, and any other moneys required to be deposited therein pursuant to the Lease, including without limitation Section 5.4(c) of the Lease (regarding proceeds of rental interruption insurance) or pursuant to this Trust Agreement, which moneys shall be applied as a credit towards any Lease Payment then due.

SECTION 5.04. Application of Moneys. Except as provided in this Section 5.04 and Section 5.05, all amounts in the Lease Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and interest with respect to the Certificates as the same shall become due and payable, in accordance with the provisions of Article II and Article IV hereof, subject to the requirement that certain investment earnings may be transferred to the Rebate Fund, as provided in Section 8.08 hereof.

On each Certificate Payment Date, the Trustee first shall set aside in the Lease Payment Fund an amount sufficient to pay the interest evidenced by the Certificates becoming due and payable on such date, and wire such amount as provided in this Trust Agreement to the Owners; and second shall set aside an amount sufficient to pay the principal evidenced by the Certificates becoming due and payable on such Certificate Payment Date.

SECTION 5.05. Surplus. Any funds remaining in the Lease Payment Fund after payment of all Certificates Outstanding, including payment of any applicable fees, expenses or other amounts owed to the Trustee pursuant to Sections 9.06 and 9.07 hereof, any amounts owed to the Insurer, and any other Additional Payments due under the Lease, or provision made therefor satisfactory to the Trustee, and provision for any amounts required to be transferred to the Rebate Fund pursuant to Section 8.08 hereof, shall be withdrawn by the Trustee and remitted to the District.

ARTICLE VI

RESERVE FUND

SECTION 6.01. Establishment of Reserve Fund. The Trustee shall establish a special fund designated as the “Perris Union High School District 2019 Certificates of Participation (School Financing Project) Reserve Fund,” referred to herein as the “Reserve Fund.” All moneys at any time on deposit in the Reserve Fund (including any Reserve Facility hereafter provided to satisfy the Reserve Requirement in whole or in part) shall be held by the Trustee in trust for the benefit of the Owners of the Certificates, as a reserve for the payment when due of all the Lease Payments to be paid pursuant to the Lease and of all payments with respect to the Certificates and applied solely as provided herein.

SECTION 6.02. Funding.

(a) **Reserve Requirement.** There shall be maintained in the Reserve Fund an amount equal to the Reserve Requirement. Notwithstanding the foregoing, in the event of a partial prepayment or defeasance of the Certificates, the Reserve Requirement shall thereafter be determined by the District and communicated to the Trustee in writing and any funds in excess of such redetermined Reserve Requirement shall be utilized as set forth in Section 6.03. On the Closing Date, there shall be deposited in the Reserve Fund the Reserve Policy, making an amount available thereunder and in the Reserve Fund equal to the Reserve Requirement. The Reserve Requirement may thereafter be satisfied by the District crediting to the Reserve Fund moneys or, with notice to each Rating Agency, another Reserve Facility or Facilities, or any combination thereof, which in the aggregate make funds available in the Reserve Fund in an amount equal to the Reserve Requirement; provided, however, the long-term unsecured debt or claim-paying ability or financial strength, as the case may be, of the provider of any such Reserve Facility, must be rated by any Rating Agency, at the time of deposit, no lower than that of the District.

The term of any Reserve Facility shall either be equal to the term of the Lease or a rollover of the Reserve Facility or other equivalent replacement shall be required such that the aggregate term of all Reserve Facilities shall equal the term of the Lease.

(b) Reserve Facility. Any amounts paid by the Insurer pursuant to the Reserve Policy and any other amounts paid pursuant to any other Reserve Facility, shall be deposited in the Reserve Fund. The District may substitute moneys for all or part of the amount available to be drawn under a Reserve Facility so long as, at the time of such substitution, the amount on deposit in the Reserve Fund, together with the amount available under all Reserve Facilities (taking into account any reduction in the amount available under such Reserve Facility to be made in connection with said substitution) shall be at least equal to the Reserve Requirement. The District 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).

Amounts on deposit in the Reserve Fund which are not derived from payments under the Reserve Policy or any other 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 the Reserve Policy or any such Reserve Facility. In order to accomplish such use and withdrawal of such amounts not derived from payments under a Reserve Facility, the Trustee shall, as and to the extent necessary, liquidate any investments purchased with such amounts.

(c) Delinquent Lease Payments. If there are no amounts currently due to the Insurer in connection with the Reserve Policy and the sum of the amount on deposit in the Reserve Fund, plus the amount available under the Reserve Policy and any other Reserve Facilities, shall be reduced below the Reserve Requirement, the first payments of Lease Payments thereafter payable by the District and not needed to pay interest and principal components of Lease Payments payable to the Certificate Owners on the next Certificate Payment Date shall be used to first, reimburse the Insurer and the provider of any other Reserve Facility for any repayment or payment obligation owing thereto for any draw on such other Reserve Facility to the Reserve Fund and second, to increase the balance in the Reserve Fund to an amount which, when added to the amount available under the Reserve Policy and any other Reserve Facilities, is equal to the Reserve Requirement.

(d) Certain Net Proceeds. Net Proceeds of rental interruption insurance shall be deposited as provided in Section 5.4(c) of the Lease and Section 5.03 hereof.

(e) Reserve Replenishment Rent. Any Reserve Replenishment Rent payable pursuant to Section 4.4(d) of the Lease shall be deposited in the Reserve Fund or paid to the Insurer or other provider of a Reserve Facility, as applicable.

SECTION 6.03. Transfers of Excess. The Trustee shall, on or before March 15 and September 15 of each year, provide written notice to the District of any moneys which are estimated to be on hand in the Reserve Fund (including investment earnings) in excess of the Reserve Requirement on the next succeeding April 1 or October 1, as the case may be, and three (3) Business Days immediately preceding any Lease Payment Date, the Trustee shall transfer such excess moneys to the Lease Payment Fund to be applied to the Lease Payment then due from the District. In the event of such a partial prepayment or defeasance of Certificates, a proportionate amount in the Reserve Fund (determined on the basis of the principal evidenced by Certificates to be prepaid or

redeemed, and the original aggregate principal evidenced by the Certificates, but not in excess of the amount of funds available as a result of the re-determination of the Reserve Requirement as provided in Section 6.02 above) shall, at the direction of the District, be applied to the prepayment or defeasance of Certificates as provided in Sections 4.02, 4.03, 4.04 and 14.01.

The transfers described above are in each case subject to the requirement that if the Certificate proceeds shall have become subject to the arbitrage rebate provisions of Section 148(f) of the Code as described in Section 8.08 hereof then certain investment earnings are to be transferred to the Rebate Fund at the direction of the District as provided in Section 8.08 hereof.

SECTION 6.04. Application of Reserve Fund in the Event of Delinquency in Lease Payment Fund.

(a) At least five (5) Business Days immediately preceding any Certificate Payment Date, the Trustee shall ascertain the necessity for a claim under the Reserve Policy in accordance with the terms hereof, and shall provide notice to the Insurer.

(b) Whether or not Lease Payments are then in abatement, if three (3) Business Days immediately preceding any Certificate Payment Date, the moneys available in the Lease Payment Fund do not equal the amount of the principal and interest with respect to the Certificates then coming due and payable, the Trustee first shall apply the moneys available in the Reserve Fund to make delinquent Lease Payments on behalf of the District by transferring the amount necessary for such purpose to the Lease Payment Fund. All cash and investments in the Reserve Fund shall be transferred to the Lease Payment Fund before any drawing shall be made on the Reserve Policy or any other Reserve Facility. The Trustee shall take whatever action is necessary to liquidate or draw upon investments of funds held in the Reserve Fund or draw upon the Reserve Facility securing the Reserve Fund to make such funds available for application as provided hereunder on the Certificate Payment Date.

(c) Draws on all Reserve Facilities (including the Reserve Policy) on which there is Available Coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund.

(d) The Trustee shall repay any draws under the Reserve Policy (including interest accrued thereon at the Late Payment Rate) from Reserve Replenishment Rent paid by the District pursuant to Section 4.4(d) of the Lease. The Trustee shall also pay all related reasonable expenses incurred by the Insurer (including interest accrued thereon at the Late Payment Rate), and all other Policy Costs, from Additional Payments paid by the District pursuant to Section 4.11 of the Lease. If the interest provisions of this subparagraph (d) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Insurer, with the same force and effect as if the District had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or

provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

(e) Repayment of Policy Costs shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw. Payment of any reimbursements of amounts with respect to other Reserve Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund.

(f) Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

(g) If the District shall fail to pay any Policy Costs in accordance with the requirements hereof, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided hereunder other than remedies which would adversely affect Owners of the Certificates. This Trust Agreement shall not be discharged or terminated until all Policy Costs owing the Insurer shall have been paid in full. The obligation to pay such amounts shall expressly survive the payment in full of the Certificates.

SECTION 6.05. Trustee to Make All Lease Payments. If on any Certificate Payment Date the moneys on deposit in the Reserve Fund and the Lease Payment Fund (excluding amounts required for payment of principal or interest with respect to Certificates not presented for payment) are sufficient to pay all Outstanding Certificates, including all principal, interest and prepayment premiums (if any), the Trustee shall, upon the written direction of the District Representative, transfer all amounts in the Reserve Fund to the Lease Payment Fund to be applied to the payment of the Lease Payments or Prepayments on behalf of the District and such moneys shall be distributed to the Owners of Certificates in accordance with Article II of this Trust Agreement. Any amounts remaining in the Reserve Fund upon payment in full of all Outstanding Certificates and the Trustee's fees and expenses pursuant to Sections 9.06 and 9.07 hereof and any other Additional Payments due under the Lease, or upon provision for such payments as provided in Section 14.01 hereof and provisions for any amounts required to be transferred to the Rebate Fund pursuant to Section 8.08 hereof, shall at the written direction of the District, be withdrawn by the Trustee and paid to the District.

ARTICLE VII

NET PROCEEDS FUND

SECTION 7.01. Establishment of Net Proceeds Fund; Deposits. The Trustee shall establish when required a special fund designated as the "Perris Union High School District 2019 Certificates of Participation (School Financing Project) Net Proceeds Fund," referred to herein as the "Net Proceeds Fund," to be maintained and held in trust for the benefit of the Owners, subject to disbursement therefrom as provided herein. The Trustee shall deposit Net Proceeds in the Net Proceeds Fund as provided in Section 6.1(a) of the Lease.

SECTION 7.02. Disbursements.

(a) Casualty Insurance. The Trustee shall disburse Net Proceeds for replacement or repair of the Property as provided in Section 6.1(b) of the Lease, or transfer such proceeds to the Prepayment Fund upon notification of the District Representative as provided in Section 6.1(c) of the Lease. Pending such application, such Net Proceeds may be invested by the Trustee as directed by the District in Permitted Investments that mature not later than such times moneys are expected to be needed to pay such costs of repair or replacement. After all of the Certificates have been paid and the entire amount of principal and interest with respect to the Certificates has been paid in full, or provision made for payment satisfactory to the Trustee, including provision for all amounts required to be transferred to the Rebate Fund pursuant to Section 8.08 hereof, the Trustee shall pay any remaining moneys in the Net Proceeds Fund to the District after payment of any amounts due to the Trustee pursuant to Sections 9.06 and 9.07 hereof and any other Additional Payments due under the Lease.

(b) Title Insurance. Proceeds of any policy of title insurance received by the Trustee with respect to the Property shall be applied and disbursed by the Trustee upon the written request of the District as follows:

(i) If the District determines that the title defect giving rise to such proceeds has not substantially interfered with its use and occupancy of the Property and will not result in an abatement of Lease Payments and Additional Payments payable by the District under the Lease (such determination to be certified by the District in writing), such proceeds shall be remitted to the District and used for any lawful purpose thereof; or

(ii) If the District determines that the title defect giving rise to such proceeds has substantially interfered with its use and occupancy of the Property and will result in an abatement of Lease Payments and Additional Payments payable by the District under the Lease, then the Trustee shall, with the prior consent of the Insurer, immediately deposit such proceeds in the Prepayment Fund and such proceeds shall be applied to the prepayment of Certificates in the manner provided in Section 4.01 hereof.

SECTION 7.03. Cooperation. The Corporation and the Trustee shall cooperate fully with the District at the expense of the District in filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of the Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Property or any item or portion thereof; provided, however, the Trustee shall not be obligated to take any action hereunder if it is not indemnified to its satisfaction from and against any liability or expense arising therefrom.

ARTICLE VIII

MONEYS IN FUNDS; INVESTMENT

SECTION 8.01. Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement (other than the Project Fund and the Rebate Fund) are irrevocably held in trust for the benefit of the Owners and, in the case of the Rebate Fund, for payment as required to the United States Treasury, and for the purposes herein specified. Any moneys held by the Trustee, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Corporation, the Trustee or the District, or any of them.

SECTION 8.02. Investments Authorized.

(a) By Trustee. Subject to the further provisions of this Article VIII, moneys held by the Trustee hereunder shall be invested and reinvested on maturity by the Trustee pursuant to Section 8.02(b). The Trustee will report any such investments to the District on a monthly basis in its regular statements. Such investments and reinvestments shall be made giving full consideration for the time at which funds are required to be available based upon information supplied by the District.

Investments purchased with funds on deposit in the Lease Payment Fund and Prepayment Fund shall mature not later than the Certificate Payment Date or prepayment date, as appropriate, immediately succeeding the investment. Investments purchased with funds on deposit in the Project Fund shall not mature later than the dates upon which such funds shall be needed to be expended for the payment of Delivery Costs or Project Costs.

(b) Upon Direction of District. The District Representative shall direct by facsimile or electronic mail such investment in specific Permitted Investments not less than two Business Days prior to the date that such Permitted Investment is to take effect, confirmed by written order filed with the Trustee. In the event that the District Representative does not so direct the Trustee, the Trustee shall invest in the Permitted Investments described in paragraph (b)(iv) of the definition thereof contained in Section 1.01.

(c) Registration. Such investments, if registerable, shall be registered in the name of the Trustee for the benefit of the Owners and held by the Trustee or its nominee.

(d) Trustee as Purchaser or Agent. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. The Trustee may act as purchaser or agent in the making or disposing of any investment. The Trustee or any of its affiliates may act as a sponsor of, or as an advisor to any provider of, Permitted Investments hereunder. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

(e) Trustee Standard of Care. Except as otherwise provided in Section 9.05, the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds or sale of such investment made by it in accordance with this Section or disposition made by it in accordance with Section 8.05(b).

SECTION 8.03. Disposition of Investments. Any income, profit or loss on the investment of moneys held by the Trustee hereunder shall be credited to the respective fund for which it is held, except as otherwise provided herein.

SECTION 8.04. Accounting. The Trustee shall furnish to the District, not less than monthly, an accounting (which may be in the form of its regular statements) of all investments made by the Trustee and all funds and amounts held by the Trustee; provided, that the Trustee shall not be obligated to deliver an accounting for any fund or account that (i) has a balance of zero and (ii) has

not had any activity since the last reporting date. The Trustee shall keep accurate records of all funds administered by it and of all Certificates paid and discharged.

SECTION 8.05. Valuation and Disposition of Investments.

(a) Valuation. For the purpose of determining the amount in any fund, all Permitted Investments (except investment agreements) credited to such fund shall be valued at the lower of the cost or the market price, exclusive of accrued interest. With respect to all funds and accounts, investments shall be valued by the Trustee (i) not less often than annually, or as otherwise directed by the District, and (ii) upon any draw upon the Reserve Fund. In making such valuations, the Trustee may utilize and conclusively rely upon such valuation services as may be available thereto, including those within its regular accounting system.

(b) Disposition. Subject to the provisions of Section 8.08 hereof, the Trustee shall sell, or present for prepayment, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited.

SECTION 8.06. Commingling of Moneys in Funds. The Trustee may, and upon the written request of the District Representative 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. The District shall ensure that any such commingling complies with Section 1.148-4 of the Treasury Regulations, and shall provide direction to the Trustee accordingly.

SECTION 8.07. Tax Covenants.

(a) General. The District hereby covenants with the holders of the Certificates that, notwithstanding any other provisions of this Trust Agreement, it shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest with respect to the Certificates under Section 103 of the Code. The District shall not, directly or indirectly, use or permit the use of proceeds of the Certificates or the Project, or any portion thereof, by any person other than a governmental unit (as such term is used in Section 141 of the Code), in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of interest with respect to the Certificates.

(b) Use of Proceeds. The District shall not take any action, or fail to take any action, if any such action or failure to take action would cause the Certificates to be “private activity bonds” within the meaning of Section 141 of the Code, and in furtherance thereof, shall not make any use of the proceeds of the Certificates or the Project, or any portion thereof, or any other funds of the District, that would cause the Certificates to be “private activity bonds” within the meaning of Section 141 of the Code. To that end, so long as any Certificates are outstanding, the District, with respect to the Project, such proceeds and such other funds, will comply with applicable requirements of the Code and all regulations of the United States Department of the Treasury issued thereunder, to the extent such requirements are, at the time, applicable and in effect. The District shall establish reasonable procedures necessary to ensure continued compliance with Section 141 of the Code and the continued qualification of the Certificates as “governmental bonds.”

(c) Arbitrage. The District shall not, directly or indirectly, use or permit the use of any proceeds of any Certificates or the Project, or any portion thereof, or other funds of the District, or take or omit to take any action, that would cause the Certificates to be “arbitrage bonds” within the meaning of Section 148 of the Code. To that end, the District shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent such requirements are, at the time, in effect and applicable to the Certificates.

(d) Federal Guarantee. The District shall not make any use of the proceeds of the Certificates or any other funds of the District, or take or omit to take any other action, that would cause the Certificates to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(e) Compliance with Tax Certificate. In furtherance of the foregoing tax covenants of this Section, the District covenants that it will comply with the provisions of the Tax Certificate, which is incorporated herein as if fully set forth herein. These covenants shall survive payment in full or defeasance of the Certificates.

SECTION 8.08. Rebate Fund.

(a) Establishment. The Trustee shall establish a special fund designated the “Perris Union High School District 2019 Certificates of Participation (School Financing Project) Rebate Fund” (the “Rebate Fund”). Absent an opinion of Special Counsel that the exclusion from gross income for federal income tax purposes of interest with respect to the Certificates will not be adversely affected, the District shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by this Section and the Tax Certificate for the Certificates, unless and to the extent that the District delivers to the Trustee an opinion of Special Counsel that the exclusion from gross income for federal income tax purposes of interest with respect to the Certificates will not be adversely affected if such requirements are not satisfied. The Trustee shall be deemed conclusively to have complied with provisions in the Tax Certificate if it follows the written directions of the District, and shall have no liability or responsibility to enforce compliance by the District with the terms of the Tax Certificate.

(i) Computation. Within 55 days of the end of each fifth Certificate Year (as such term is defined in the Tax Certificate), the District shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (*e.g.*, the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code or Section 1.148-7(d) of the Treasury Regulations), the and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the “1½% Penalty”) has been made), for this purpose treating the last day of the applicable Certificate Year as a computation date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the “Rebatable Arbitrage”). The District shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section. The Trustee may conclusively rely upon the District’s determinations, calculations and certifications required by the Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the District’s calculations.

(ii) Annual Transfer. Within 55 days of the end of each Certificate Year, at the discretion of and upon the written request of the District, an amount shall be deposited to the Rebate Fund by the Trustee from any amounts legally available for such purpose (as specified by the District in the aforesaid written request), if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with (i) of this subsection (a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written request of the District, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Lease Payment Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed by request of the District, to the United States Treasury, out of amounts in the Rebate Fund,

(A) not later than 60 days after the end of (1) the fifth Certificate Year, and (2) each applicable fifth Certificate Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Certificate Year; and

(B) not later than 60 days after the payment of all the Certificates, an amount equal to 100% of the Rebatable Arbitrage calculated as of the date of such payment and any income attributable to the Rebatable Arbitrage determined to be due and payable, computed in accordance with Section 1.148-3 of the Treasury Regulations.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this Subsection (a) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T prepared by the District, or shall be made in such other manner as provided under the Code.

The Trustee shall not be responsible for calculating rebatable arbitrage or for the adequacy or correctness of any rebate report or rebate calculations. The Trustee shall be deemed conclusively to have complied with the provisions of the Trust Agreement regarding calculation and payment of rebatable arbitrage if it follows the directions or requests of the District and it shall have no independent duty to review such calculations or enforce compliance with such rebate requirements.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after prepayment and payment in full of the Certificates and the fees and expenses of the Trustee, and the payments described in Subsection (a)(iii) above being made may be withdrawn by the District and utilized in any manner by the District.

(c) Survival of Defeasance. Notwithstanding anything in this Section to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance or payment in full of the Certificates.

(d) Recordkeeping. The District shall retain records of all determinations made hereunder until three years after the complete retirement of the Certificates.

ARTICLE IX

THE TRUSTEE

SECTION 9.01. Appointment of Trustee.

(a) Appointment. U.S. Bank National Association, a national banking association organized under the laws of the United States of America, is hereby appointed Trustee by the Corporation and the District.

(b) Qualifications. The Corporation and the District agree that they will maintain a Trustee having a corporate trust office in New York, New York, San Francisco, California, or Los Angeles, California capable of exercising trust powers in the State of California, with a combined capital (exclusive of borrowed capital) and a surplus of at least Seventy-Five Million Dollars (\$75,000,000), or be a member of a bank holding company system, which shall have a combined capital and surplus of at least Seventy-Five Million Dollars (\$75,000,000), and subject to supervision or examination by federal or state authority, so long as any Certificates are Outstanding. If such bank, national banking association, 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 purpose of this Section the combined capital and surplus of such bank, national banking association, or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(c) Removal. So long as there is no Event of Default then in effect, the District (with the prior written consent of the Insurer) may remove the Trustee initially appointed, and any successor thereto, and may appoint a successor or successors thereto.

(d) Resignation. The Trustee may, upon prior written notice to the District, the Corporation and the Insurer, resign; provided that such resignation shall not take effect until a successor Trustee is appointed as provided in this Section. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee. In the event the District does not name a successor Trustee within thirty (30) days of receipt of notice of the Trustee's resignation, then the Trustee may petition a court of suitable jurisdiction to seek the immediate appointment of a successor Trustee.

(e) Successor. Any successor Trustee shall be a bank, national banking association, or trust company meeting the qualifications as 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 Owners at their respective addresses set forth on the Certificate registration books maintained pursuant to Section 2.11.

SECTION 9.02. Merger or Consolidation. Any company or banking association into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided

that such company shall be eligible under Section 9.01, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 9.03. Protection of the Trustee.

(a) Reliance Upon Papers or Documents. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, facsimile transmission, electronic mail, request, consent, direction, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may, in the absence of bad faith on its part, accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

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 District elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act 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 instruction. The District 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.

(b) Reliance Upon Opinions of Counsel. The Trustee may consult with counsel, who may be counsel to the District, with regard to legal questions and the opinion of such counsel 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. Before being required to take any action, the Trustee may require an opinion of Independent Counsel which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, Trustee shall be absolutely protected in relying thereon.

(c) Reliance Upon Requested Certificates. 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), in the absence of bad faith on its part, shall be deemed to be conclusively proved and established by the certificate of the District Representative or the Corporation Representative and such certificate shall be full warranty to the Trustee, in the absence of bad faith on its part, 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 or may require such additional evidence as to it may seem reasonable.

SECTION 9.04. Rights of the Trustee.

(a) Ownership of Certificates. The Trustee may become the Owner with the same rights it would have if it were not Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the District with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of the majority in principal amount of the Certificates then Outstanding.

(b) 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, shall not be responsible for the actions or omissions of such attorneys, agents or receivers if appointed by it with reasonable care, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder; provided that the Trustee shall not assign any of its trust responsibilities without the prior written consent of the District.

(c) Funds and Accounts. In addition to the funds and accounts established or required to be established pursuant to this Trust Agreement, the Trustee may establish such additional funds and accounts as it deems necessary or appropriate to perform its duties hereunder.

SECTION 9.05. Standard of Care. So long as there is no Event of Default, (a) the Trustee will not be liable in connection with the performance of its duties thereunder, except for its own negligence or willful misconduct, and (b) the Trustee will only perform those duties specifically set forth therein and no implied duties, covenants or obligations will be read into the Trust Agreement. In the event of and during the continuance of an Event of Default, the Trustee will exercise such care in performing its duties thereunder as a prudent person would exercise in the conduct of his affairs.

SECTION 9.06. Compensation of the Trustee. As an Additional Payment under Section 4.11 of the Lease, the District shall from time to time on demand, pay to the Trustee reasonable compensation for its services, the services of any accountants, consultants, attorneys and other experts as may be engaged by the Trustee to provide services under this Trust Agreement pursuant to a written agreement between the District and the Trustee, and the reimbursement for all expenses incurred in and about the performance of its powers and duties under this Trust Agreement. The District's obligation hereunder shall remain valid and binding notwithstanding maturity and payment of the Certificates or the resignation or removal of the Trustee.

SECTION 9.07. Indemnification of Trustee. The District shall, to the extent permitted by law, indemnify and save the Trustee and its officers, directors, agents, and employees harmless from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition, construction or management of, or from any work or thing done on, the Property or the Project by the District, (ii) any breach or default on the part of the District in the performance of any of its obligations under this Trust Agreement and any other agreement made and entered into for purposes of the Property or the Project, (iii) any act of negligence of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Property or the Project, (iv) any act of negligence of any assignee of, or purchaser from, the District or of any of its or their agents, contractors, servants, employees or licensees with respect to the Property or the Project, (v) the expenditure of Delivery

Costs, or (vi) the exercise and performance by the Trustee of its powers and duties hereunder or any related document, (vii) the sale of the Certificates and the carrying out of any of the transactions contemplated by the Certificates or this Trust Agreement or (viii) any untrue statement or alleged 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 in which they were made, not misleading in any official statement or other disclosure document utilized in connection with the sale of the Certificates. The indemnification set forth in this Section 9.07 shall extend to the Trustee's officers, agents, employees, successors and assigns. No indemnification will be made under this Section or elsewhere in this Trust Agreement or other agreements for willful misconduct or negligence by the Trustee, its officers, directors, agents, employees, successors or assigns. The District's obligations hereunder shall remain valid and binding notwithstanding maturity and payment of the Certificates, or the resignation or removal of the Trustee.

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, Corporation and District, having any claim against the Trustee arising from the Trust Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment, except as otherwise provided herein or where the Trustee has breached its standard of care as described in Section 9.05 hereof. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder or in the exercise of any of its rights or powers.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Certificates at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or in the exercise of any right hereunder.

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

Every provision of this Trust Agreement, the Lease, the Site Lease and the Assignment Agreement relating to the conduct or liability of the Trustee shall be subject to the provisions of this Trust Agreement, including without limitation, this Article IX.

The Trustee shall have no responsibility 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 Certificates.

The Trustee shall not to be deemed to have knowledge of any Event of Default hereunder or under the Lease unless a Responsible Officer of the Trustee has actual knowledge thereof at its Principal Office.

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 an unavoidable delay in the performance of such obligations due to 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, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction, 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.

The Trustee will be under no obligation to exercise any of the rights or powers vested in it hereby at the request, order or direction of any of the Owners pursuant to the provisions hereof unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred herein or hereby.

The Trustee may consult with counsel, who may be counsel of or to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

SECTION 9.08. Trustee's Disclaimer of Warranties. THE TRUSTEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE PROPERTY, OR ANY PORTION THEREOF. THE DISTRICT ACKNOWLEDGES THAT THE TRUSTEE IS NOT A MANUFACTURER OF PORTIONS OF THE PROPERTY, AND THAT THE DISTRICT IS LEASING THE PROPERTY AS IS. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages, in connection with or arising out of the Lease, the Site Lease, the Assignment Agreement or this Trust Agreement for the existence, furnishing, functioning or District's use and possession of the Property or the Project.

ARTICLE X

MODIFICATION OR AMENDMENT OF AGREEMENTS

SECTION 10.01. Amendments Permitted.

(a) With Consent. This Trust Agreement, the Lease and the Site Lease, and the rights and obligations of the Corporation, the District and the Owners hereunder and thereunder, may be modified or amended at any time, by a supplemental agreement or amendment thereto which shall become effective with the prior written consent of the Insurer and the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, and with notice to each Rating Agency, exclusive of Certificates disqualified as provided in Section 10.03 hereof. No such modification or amendment shall:

(i) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the prepayment thereof, or

(ii) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of the Lease, or

(iii) modify any of the rights or obligations of the Trustee without its written assent thereto, or

(iv) amend this Section 10.01 without the prior written consent of the Owners of all Certificates then outstanding.

The Trustee shall be furnished such Opinions of Counsel as it deems necessary concerning (i) the lack of material adverse effect of the amendment on Owners and (ii) that the amendment will not, in and of itself, affect the tax status of interest with respect to the Certificates. Any such supplemental agreement or amendments thereto shall become effective as provided in Section 10.02 hereof. The Trustee may rely on an Opinion of Counsel that each such amendment is authorized or permitted pursuant hereto.

(b) Without Consent. This Trust Agreement, the Lease and the Site Lease, and the rights and obligations of the Corporation, the District and the Owners hereunder and thereunder, may be modified or amended at any time by a supplemental agreement or amendments thereto, with notice to each Rating Agency, and without the consent of any such Owners, but with the consent of the Insurer, only to the extent permitted by law, and only:

(i) to add to the covenants and agreements of the District and the Corporation hereunder,

(ii) to cure, correct or supplement any ambiguous or defective provision contained herein or therein,

(iii) in regard to matters arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable (which may be based upon opinions as provided in Section 9.03(b)), shall not adversely affect the interest of the Owners,

(iv) to substitute the Property, or a portion thereof, in accordance with Sections 3.5 and 7.12 of the Lease,

(v) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of the interest component of Lease Payments and the interest payable with respect to the Certificates,

(vi) to add to the rights of the Trustee,

(vii) to maintain the rating or ratings assigned to the Certificates, or

(viii) to provide for the execution and delivery of Additional Certificates in accordance with the provisions of Section 2.14 hereof.

No such modification or amendment, however, shall modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement shall become

effective upon execution and delivery by the parties hereto or thereto as the case may be. The Trustee may rely on an opinion of counsel that each amendment is authorized or permitted pursuant to the Trust Agreement.

SECTION 10.02. Procedure for Amendment with Written Consent of the Owners.

This Trust Agreement, the Lease or Site Lease may be amended by supplemental agreement as provided in this Section 10.02 in the event the consent of the Owners is required pursuant to Section 10.01(a) hereof. Such supplemental agreement, together with a request to the Owners for their consent thereto, shall be mailed by the Trustee to each Owner of a Certificate at his address as set forth in the Certificate registration books maintained pursuant to Section 2.11 hereof, but failure to receive copies of such supplemental agreement and request so mailed shall not affect the validity of the supplemental agreement when assented to as in this Section provided.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Owners of at least a majority in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in Section 10.03 hereof) and notices shall have been mailed as hereinafter in this Section provided. Any such consent shall be binding upon the Owner of the Certificate giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Certificates shall have filed their consent to such supplemental agreement, the Trustee shall mail a notice to the Owners of the Certificates in the manner hereinbefore provided in this Section for the mailing of such supplemental agreement, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Trustee may obtain and conclusively rely on an opinion of counsel with regard to such matters.

SECTION 10.03. Disqualified Certificates. Certificates owned or held by or for the account of the District or the Corporation or by any person directly or indirectly controlled or controlled by, or under direct or indirect common control with the District or the Corporation (except any Certificates held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Certificates provided for in this Trust Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement. Upon request of the Trustee, the District and the Corporation shall specify in a certificate to the Trustee those Certificates disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

The District or the Trustee may adopt appropriate regulations to require each Owner, before his consent provided for in this Article X shall be deemed effective, to reveal if the Certificates as to which such consent is given are disqualified as provided in this Section 10.03.

SECTION 10.04. Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this Article X, this Trust Agreement, the Lease or Site Lease, as the case may be, shall be deemed to be modified and amended in accordance

therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Certificates Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Lease, as the case may be, for any and all purposes.

SECTION 10.05. Endorsement or Replacement of Certificates Delivered After Amendments. The Trustee may determine that Certificates delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement, in form approved by the District, as to such action. In that case, upon demand of the Owner of any Outstanding Certificate at such effective date and presentation of his Certificate for such purpose at the Principal Office, a suitable notation shall be made on such Certificate. The District may determine that new Certificates, so modified as in the opinion of the District is necessary to conform to such Owner's action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Certificate then Outstanding, such new Certificate shall be exchanged in the Principal Office without cost to such Owner, for a Certificate of the same character then Outstanding, upon surrender of such Certificate.

SECTION 10.06. Amendatory Endorsement of Certificates. Subject to Section 10.01 hereof, the provisions of this Article X shall not prevent an Owner from accepting any amendment as to the particular Certificates held by him, provided that due notification thereof is made on such Certificates.

SECTION 10.07. Copies of Amendments Delivered to each Rating Agency. Copies of any modifications or amendments to this Agreement, the Lease, the Site Lease or the Assignment Agreement shall be delivered by the District to each Rating Agency at least 10 days prior to the effective date thereof.

ARTICLE XI

COVENANTS; NOTICES

SECTION 11.01. Compliance With and Enforcement of the Lease. The District covenants and agrees with the Owners and the Insurer to perform all obligations and duties imposed on it under the Lease. The Corporation covenants and agrees with the Owners to perform all obligations and duties imposed on it under the Lease.

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

SECTION 11.02. Payment of Taxes. The District shall pay all taxes as provided in Section 7.7(b) of the Lease.

SECTION 11.03. Observance of Laws and Regulations. The District will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the District, including its right to exist and carry on business as a school district, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

SECTION 11.04. Prosecution and Defense of Suits. The District shall promptly, and also upon request of the Trustee, the Insurer or any Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Property, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Owner harmless from all loss, cost, damage and expense including reasonable attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

SECTION 11.05. District Budgets. In accordance with Section 4.7 of the Lease, the District Representative shall certify to the Trustee on or before July 1 of each year that the District has included all Lease Payments (other than Lease Payments of advance rental), Additional Payments and Reserve Replenishment Rent due under the Lease in the Fiscal Year covered by its annual budget and the amount so included. If the District fails to certify that it has included all such Lease Payments, Additional Payments and Reserve Replenishment Rent in such annual budget, the Trustee shall promptly provide the District written notice specifying that the District has failed to observe and perform its covenant and agreement in such Section 4.7 of the Lease and requesting that such failure be remedied within 30 days, or such failure shall constitute an Event of Default under Section 9.1(b) of the Lease. The Trustee shall forward a copy of such notice to the Insurer and the Corporation. 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.

SECTION 11.06. Further Assurances. The Corporation and the District will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners and the Insurer the rights and benefits provided herein.

SECTION 11.07. Continuing Disclosure. The District hereby covenants that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Trust Agreement, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default or an event of default hereunder; however, any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section and the Continuing Disclosure Certificate.

ARTICLE XII

LIMITATION OF LIABILITY

SECTION 12.01. Limited Liability of the District. Except for the payment of Lease Payments, Additional Payments, Reserve Replenishment Rent and Prepayments when due in accordance with the Lease and the performance of the other covenants and agreements of the District contained herein and in the Lease, the District shall have no obligation or liability to any of the other parties or to the Owners with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Owners by the Trustee.

SECTION 12.02. No Liability of the District or Corporation for Trustee Performance. Except as expressly provided herein, neither the District nor the Corporation shall have any obligation or liability to any other parties or to the Owners with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

SECTION 12.03. Limited Liability of Trustee.

(a) **No Investment Advice.** The Trustee shall have no obligation or responsibility for providing information to the Owners concerning the investment character of the Certificates.

(b) **Sufficiency of this Trust Agreement or Lease Payments.** The Trustee makes no representations as to the validity or sufficiency of the Certificates, shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Certificates assigned to or imposed upon it. The Trustee shall not be responsible for the sufficiency or enforceability of the Lease, the Site Lease or the Assignment Agreement. The Trustee shall not be liable for the sufficiency or collection of any Lease Payments or other moneys required to be paid to it under the Lease (except as provided in this Trust Agreement), its right to receive moneys pursuant to said Lease, or the value of or title to the Property.

(c) **Actions of Corporation and District.** The Trustee shall have no obligation or liability to any of the other parties or the Owners with respect to this Trust Agreement or failure or refusal of any other party to perform any covenant or agreement made by any of them under this Trust Agreement or the Lease, but shall be responsible solely for the performance of the duties and obligations expressly imposed upon it hereunder as provided in Section 9.05.

(d) **Recitals and Agreements of Corporation and District.** The recitals of facts, covenants and agreements herein and in the Certificates contained shall be taken as statements, covenants and agreements of the District or the Corporation (as the case may be), and the Trustee assumes no responsibility for the correctness of the same.

SECTION 12.04. Limitation of Rights to Parties and Certificate Owners. Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the District, the Corporation, the Trustee, the Insurer and the Owners, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the District, the Corporation, the Trustee, the Insurer and the Owners.

SECTION 12.05. No Liability of the Corporation to the Owners. Except as expressly provided herein, the Corporation shall not have any obligation or liability to the Owners with respect to the payment when due of the Lease Payments by the District or with respect to the observance or performance by the District of the other agreements, conditions, and covenants imposed upon the District by the Lease or by this Trust Agreement.

ARTICLE XIII

EVENTS OF DEFAULT AND REMEDIES OF CERTIFICATE OWNERS

SECTION 13.01. Assignment of Rights. The parties hereto acknowledge that pursuant to the Assignment Agreement the Corporation has transferred, assigned and set over to the Trustee for the benefit of the Owners, certain of the Corporation's rights under the Lease and the Site Lease.

SECTION 13.02. Events of Default.

(a) Remedies. If an Event of Default shall happen, then, and in each and every such case during the continuance of such Event of Default, the Trustee may exercise any and all remedies available pursuant to law or granted pursuant to the Lease, including writs of mandamus; provided, however, that notwithstanding anything herein or in the Lease to the contrary, THERE SHALL BE NO RIGHT UNDER ANY CIRCUMSTANCES TO ACCELERATE THE MATURITIES OF THE CERTIFICATES OR OTHERWISE TO DECLARE ANY LEASE PAYMENTS NOT THEN IN DEFAULT TO BE IMMEDIATELY DUE AND PAYABLE; provided further that so long as the Insurer shall not be in default of its payment obligations under the Insurance Policy, the Insurer shall control all remedies available upon an Event of Default. Section 9.2 of the Lease is hereby incorporated by reference.

(b) Actual Knowledge. The Trustee shall not be deemed to have knowledge of any Event of Default unless and until a Responsible Officer shall have actual knowledge thereof, or shall have received written notice thereof at its Principal Office.

(c) Action on Default. If an Event of Default (within the meaning of Article IX of the Lease) shall happen, then such Event of Default shall constitute an Event of Default hereunder. The Trustee may give notice, as assignee of the Corporation, of an Event of Default under the Lease or hereunder to the District, and shall do so if directed to do so by the Insurer or the Owners of not less than a majority of the aggregate principal evidenced by Certificates then Outstanding. In each and every case during the continuance of an Event of Default, the Trustee (a) may, at the direction of the Owners of not less than a majority of the aggregate principal evidenced by Certificates then Outstanding, with the consent of the Insurer, and (b) shall, at the direction of the Insurer and upon notice in writing to the District and the Corporation, exercise any of the remedies granted to the Corporation under the Lease and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the Owners by this Trust Agreement or by the Certificates, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in Section 13.04 hereof.

SECTION 13.03. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article XIII or of Article IX of the

Lease, shall be deposited into the Lease Payment Fund and be applied by the Trustee after payment of all amounts due and payable under Section 9.06 hereof and Section 4.11 of the Lease in the following order upon presentation of the several Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid -

First, Costs and Expenses: to the payment of the costs, fees and expenses of the Trustee in declaring such Event of Default and in performing its duties hereunder, 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 installment, and, if the amount 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 principal with respect to any Certificates which shall have become due, whether at maturity or by call for prepayment, in the order of their due dates, with interest on the overdue principal and interest at a rate equal to the rate paid with respect to the Certificates and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the Certificates on any date, together with such interest, 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, Insurance: to the extent not included in clauses First, Second and Third above, to the payment of all amounts then due to the Insurer, as certified in writing to the Trustee. The Trustee may conclusively rely upon certification of the Insurer.

SECTION 13.04. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee shall, upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein or in the Lease, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder; provided that such written request shall not be otherwise than in accordance with provisions of law and this Trust Agreement and that the Trustee shall have the right to decline to follow any such written request if the Trustee shall be advised by counsel that the action or proceeding so requested may not be taken lawfully or if the Trustee in good faith shall determine that the action or proceeding so requested would be unjustly prejudicial to the Certificate Owners not a party to such written request or expose the Trustee to liability.

SECTION 13.05. Non Waiver. Nothing in this Article XIII or in any other provision of this Trust Agreement or in the Certificates shall affect or impair the obligation of the District which is absolute and unconditional, to pay or prepay the Lease Payments as provided in the Lease. No delay or omission of the Trustee or of any Owner of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every

power and remedy given by this Article XIII to the Trustee or to the Owners may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners.

SECTION 13.06. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

SECTION 13.07. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, 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 principal amount of the Certificates then Outstanding, it shall have full power, in the exercise of its discretion for the best interest of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of at least a majority in principal amount of the Outstanding Certificates hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

SECTION 13.08. Limitation on Certificate Owners' Right to Sue. No Owner of any Certificate executed 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 under the Lease; (b) such Owner shall, so long as the Insurer is not in default of its payment obligations under the Insurance Policy, have secured the Insurer's consent to such institution, (c) the Owners of a majority in aggregate principal amount of all the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (d) Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (e) 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; and (f) there shall have been a default in the payment of such Owner's proportionate interest in the Lease Payments as the same become due.

Such notification, request, tender of indemnity, refusal or omission, and default are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Agreement, except in the manner herein provided and for the equal benefit of all Owners of the Outstanding Certificates.

The right of any Owner of any Certificate 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.

SECTION 13.09. Agreement to Pay Attorneys' Fees and Expenses. In the event any party to this Trust Agreement should default under any of the provisions hereof and the

nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

ARTICLE XIV

MISCELLANEOUS

SECTION 14.01. Defeasance.

(a) Methods. If and when any Outstanding Certificates shall be paid and discharged in any one or more of the following ways -

(i) Payment or Prepayment: by well and truly paying or causing to be paid the principal, interest and prepayment premiums (if any) with respect to such Certificates Outstanding, as and when the same become due and payable;

(ii) Cash: prior to maturity, by depositing with the Trustee (or such other independent escrow agent as the District shall select), in trust, an amount of cash which (including cash then on deposit in the Lease Payment Fund in the event of prepayment or provision for payment of all Outstanding Certificates, and cash then on deposit Reserve Fund (in the event of prepayment or provision for payment of all Outstanding Certificates or as otherwise provided in Section 6.03) is fully sufficient to pay and discharge such Certificates (including all principal and interest represented thereby and prepayment premiums if any) at or before their maturity date; or

(iii) Defeasance Securities: prior to maturity, by irrevocably depositing with the Trustee (or such other independent escrow agent as the District shall select), in trust, Defeasance Securities together with cash, if required (including cash then on deposit in the Lease Payment Fund in the event of prepayment or provision for payment of all Outstanding Certificates, and cash then on deposit Reserve Fund (in the event of prepayment or provision for payment of all Outstanding Certificates or as otherwise provided in Section 6.03), in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, be fully sufficient to pay and discharge such Certificates (including all principal and interest represented thereby and prepayment premiums if any) at or before their maturity date;

and all other amounts due hereunder have been paid in full, then, notwithstanding that any Certificates shall not have been surrendered for payment, all obligations of the Corporation, the Trustee and the District with respect to such Certificates shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from Lease Payments paid by or on behalf of the District from funds deposited pursuant to paragraphs (i) and (iii) of this Section, to the Owners of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (ii) and (iii) of this Section, the Certificates shall continue to represent direct and proportionate interests of the Owners thereof in Lease Payments under the Lease.

(a) Surplus Moneys. Any funds held by the Trustee, at the time of payment or provision for payment of all Outstanding Certificates pursuant to the procedures described in paragraphs (a)(i) through (a)(iii) of this Section, which are not required for the payment to be made to Owners, shall be paid over to the District, after the payment of any amounts due to the Trustee pursuant to Sections 9.06 and 9.07 hereof, and any other Additional Payments due under the Lease.

(b) Surviving Provisions. Notwithstanding the satisfaction and discharge hereof, the Trustee shall retain such rights, powers and privileges hereunder as may be necessary or convenient for the payment of the principal, interest and prepayment premium, if any, with respect to the Certificates and for the registration, transfer and exchange of the Certificates.

(c) Opinions and Reports. Prior to any defeasance becoming effective under this Section, the District shall cause to be delivered (i) an executed copy of a report, addressed to the Trustee, the District and the Insurer, in form and substance acceptable to the Trustee, the Insurer and the District of an Accountant, verifying that the Defeasance Securities and cash, if any, satisfy the requirements of Section 14.01(a) above, (ii) a copy of the escrow deposit agreement entered into in connection with such defeasance acceptable to the Insurer, (iii) a copy of an Opinion of Counsel, dated the date of such defeasance and addressed to the Trustee, the Insurer and the District, in form and substance acceptable to the District, covering the validity and enforceability of the escrow agreement and substantially to the effect that such Certificates are no longer Outstanding under the Trust Agreement, and (iv) a certificate of discharge of the Certificates from the Trustee.

Notwithstanding any other provision hereof, this Trust Agreement shall not be discharged until all Policy Costs owing to the Insurer and all amounts due or to become due to the Insurer shall have been paid in full. The District's obligation to pay such amounts shall expressly survive payment in full of the Certificates

The Insurer shall be entitled to receive copies of substantially final drafts of the above-referenced documents not less than five (5) Business Days prior to the funding of the escrow.

SECTION 14.02. Non-Presentation of Certificates. In the event any Certificate shall not be presented for payment when the principal with respect thereto becomes due, either at maturity, or at the date fixed for prepayment thereof, if moneys sufficient to pay such Certificate shall have been deposited in the Prepayment Fund or Lease Payment Fund, as applicable, all liability of the District to the Owner thereof for payment of such Certificate shall forthwith cease, terminate 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 Certificate who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his or her part under this Trust Agreement or on, or with respect to, said Certificate.

Any moneys so deposited with and held by the Trustee not so applied to the payment of interest or principal with respect to Certificates within two (2) years after the date on which the same shall have become due shall be paid by the Trustee to the District, free from the trusts created by this Trust Agreement. In addition, Trustee shall be indemnified from and against any and all liabilities to third parties resulting from its actions under this Section. Thereafter, Owners shall be entitled to look only to the District for payment, and then only to the extent of the amount so repaid by the Trustee. The District shall not be liable for any interest on the sums paid to it pursuant to this section and shall not be regarded as a trustee or trustees of such money.

SECTION 14.03. Acquisition of Certificates by District. All Certificates acquired by the District, whether by purchase, gift or otherwise, shall be surrendered by the District to the Trustee for cancellation.

SECTION 14.04. Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed by it under this Trust Agreement, which shall be available for inspection by the District and the Corporation and any Owner, or the agent of any of them, at any time during regular business hours upon reasonable prior notice.

SECTION 14.05. Notices. Except as specifically provided otherwise in this Trust Agreement, all written notices to be given under this Trust Agreement shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be deemed to have been received upon actual receipt after deposit in the United States mail, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to the District: Perris Union High School District
155 East Fourth Street
Perris, California 92570-2124
Attention: Superintendent

If to the Corporation: Perris Union High School District
155 East Fourth Street
Perris, California 92570-2124
Attention:

If to the Trustee: U.S. Bank National Association
633 W. Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust

If to S&P: S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

If to the Insurer: [_____]
[_____]
[_____]
Attention: [_____]
Re: Policy No.
Telephone: (____) ____ - ____
Telecopier: (____) ____ - ____

SECTION 14.06. Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

SECTION 14.07. Binding Effect; Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement either the Corporation, the District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Corporation, the District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 14.08. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

SECTION 14.09. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to “Articles”, “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 14.10. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 14.11. Separability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

SECTION 14.12. Provisions Relating to Certificate Insurance. [TO COME]

SECTION 14.13. Information to be Provided to Insurer. [TO COME]

SECTION 14.14. Interested Parties.

(a) **Insurer as a Third Party Beneficiary.** The Insurer is hereby deemed to be a third party beneficiary of this Trust Agreement.

(b) **Parties Interested Herein.** Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give grant to any person or entity, other than the District, the Trustee and the Owners of the Certificates, any right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf

of the District shall be for the sole and exclusive benefit of the District, the Corporation, the Trustee, the Insurer and the registered Owners of the Certificates.

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

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

PERRIS VALLEY SCHOOLS CAPITAL
FACILITIES CORPORATION

By: _____
Treasurer

PERRIS UNION HIGH SCHOOL DISTRICT

By: _____
Deputy Superintendent, Business Services

EXHIBIT A

[FORM OF CERTIFICATE OF PARTICIPATION]

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the District or to U.S. Bank National Association, as Trustee, for registration of transfer, exchange, or payment, and any Certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

R-_____

\$_____

**2019 CERTIFICATE OF PARTICIPATION
(School Financing Project)**

**Evidencing the Fractional Interest of the Owner Hereof
In Lease Payments to be Made by
PERRIS UNION HIGH SCHOOL DISTRICT
Pursuant to a Lease/Purchase Agreement With
PERRIS VALLEY SCHOOLS CAPITAL FACILITIES CORPORATION**

Interest Rate

Maturity Date

Date of Delivery

CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

DOLLARS

THIS IS TO CERTIFY THAT the registered owner named above, or registered assigns, as the Registered Owner of this Certificate of Participation (the “Certificate”) is the owner of a fractional and undivided interest in the right to receive certain Lease Payments and Prepayments thereof under and as defined in that certain Lease/Purchase Agreement, dated as of [_____] 1, 2019 (the “Lease”), by and between the PERRIS VALLEY SCHOOLS CAPITAL FACILITIES CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Corporation”), and the PERRIS UNION HIGH SCHOOL DISTRICT, a school district organized and existing under and by virtue of the laws and Constitution of the State of California (the “District”), which Lease Payments and Prepayments and certain other rights and interests under the Lease have been assigned to U.S. BANK NATIONAL ASSOCIATION, as trustee (the “Trustee”), having a corporate trust office in Los Angeles, California, or such other office designated by the Trustee by written notice to the District (said office being herein referred to as the “Principal Office”).

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Lease, on the maturity date specified above, the principal amount specified above, representing a portion of the Lease Payments designated as principal coming due during the preceding twelve months, and to receive on [October 1, 2019], and semiannually thereafter on April 1 and October 1 of

each year (the “Certificate Payment Dates”) until payment in full of said portion of principal, the Registered Owner’s portion of the Lease Payments designated as interest coming due during the six months immediately preceding each Certificate Payment Date; provided that interest with respect hereto shall be payable from the Certificate Payment Date next preceding the date of execution of this Certificate (unless (i) this Certificate is executed on a Certificate Payment Date in which event it should be payable from the date thereof, or (ii) this Certificate is executed after the close of business on the fifteenth day of the month prior to the following Certificate Payment Date (the “Record Date”), in which event interest shall be payable from such Certificate Payment Date, or (iii) unless this Certificate is executed on or prior to September 15, 2019, in which event interest shall be payable from the date of initial delivery. The portion of the Lease Payments designated as interest is computed on the basis of a 360-day year of twelve 30-day months and is the result of the multiplication of the aforesaid portion of the Lease Payments designated as principal by the rate per annum identified above. Said amounts are payable in lawful money of the United States of America. The amount representing principal payable at maturity or upon prepayment in whole or in part is payable to the Registered Owner upon presentation and surrender of this Certificate at the Principal Office. The amounts representing interest are payable by check mailed by the Trustee on the Certificate Payment Date by first class mail to the Registered Owner hereof as of the Record Date preceding the Certificate Payment Date at his address as it appears on the registration books of the Trustee. Interest with respect to any Certificates may, at the option of any Owner of Certificates in an aggregate principal amount of \$1,000,000 or more evidenced by the written request of such Owner to the Trustee, be paid to such Owner by wire transfer to the bank within the United States of America and account number on file with the Trustee as of the Record Date.

This Certificate has been executed and delivered by the Trustee pursuant to the terms of a Trust Agreement, dated as of May 1, 2019 (the “Trust Agreement”), by and among the Trustee, the Corporation and the District. The District is authorized to enter into the Lease and the Trust Agreement under the Constitution and laws of the State of California. Reference is hereby made to the Lease and the Trust Agreement (copies of which are on file at the Principal Office) for a description of the terms on which the Certificates are delivered, the rights thereunder of the Registered Owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the District under the Lease, to all of the provisions of which Lease and Trust Agreement the Registered Owner of this Certificate, by acceptance hereof, assents and agrees.

The District is obligated to pay Lease Payments from any source of legally available funds, and the District has covenanted in the Lease to make the necessary annual appropriations therefor. 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 Lease Payments does not constitute a debt of the District, the State of California or any of its political subdivisions within the meaning of any Constitutional or statutory debt limitation or restriction. The District’s obligation to pay Lease Payments may be abated during any period in which, by reason of material damage, destruction or condemnation there is substantial interference with the use and right of possession by the District of the Property. Failure of the District to pay Lease Payments during any such period shall not constitute a default under the Lease, the Trust Agreement or this Certificate.

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 at least a majority in aggregate principal amount of the Certificates then

Outstanding, and may be amended without such consent under certain circumstances but in no event such that the interests of the Registered Owners of the Certificates are adversely affected. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the prepayment thereof, without the express consent of the Registered Owner of such Certificate, or (2) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of the Lease, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto.

This Certificate is transferable by the Registered Owner hereof, in person or by his duly authorized attorney, at the Principal Office, 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 Certificate. Upon such transfer a new Certificate or Certificates, of authorized denomination or denominations, for the same aggregate principal amount, maturity and interest rate, will be delivered to the transferee. This Certificate also may be exchanged for a like aggregate principal amount of Certificates of other authorized denominations as prescribed in the Trust Agreement. The District, the Corporation and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes whether or not this Certificate shall be overdue, and the District, the Corporation and the Trustee shall not be affected by any notice to the contrary.

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

The Certificates comprise \$[_____] principal amount of Certificates of which this certificate is a part.

The Certificates are subject to prepayment prior to their respective maturity dates on any day, in whole or in part, from Net Proceeds which the Trustee shall transfer to the Prepayment Fund or other moneys deposited with the Trustee as provided in the Lease at least 45 days prior to the date set for such extraordinary prepayment and credited towards the prepayment made by the District pursuant to the Lease, at a prepayment price equal to the principal amount represented thereby, plus accrued interest to the date fixed for prepayment, without premium.

The Certificates evidencing principal maturing on or after October 1, 20__ are subject to optional prepayment prior to their stated maturities, in whole or in part, on any day on or after October 1, 20__, from any lawfully available source of funds in the event the District exercises its option under the Lease to prepay the principal component of the Lease Payments (in integral multiples of \$5,000), at the principal amount thereof, plus accrued interest to the date fixed for prepayment, without premium.

The Certificates evidencing principal maturing on October 1, 20__, are subject to prepayment prior to maturity from mandatory sinking fund prepayments of the principal component of Lease Payments, on October 1 of each year on and after October 1, 20__, at a prepayment price equal to the principal amount thereof, plus accrued interest to the date fixed for prepayment, without premium. The principal component of such Lease Payments to be so prepaid and the dates therefor and the final payment date is as indicated in the following table:

<u>Year Ending</u> <u>October 1</u>	<u>Principal Component</u> <u>To Be Prepaid</u>
--	--

The Certificates evidencing principal maturing on October 1, 20__, are subject to prepayment prior to maturity from mandatory sinking fund prepayments of the principal component of Lease Payments, on October 1 of each year on and after October 1, 20__, at a prepayment price equal to the principal amount thereof, plus accrued interest to the date fixed for prepayment, without premium. The principal component of such Lease Payments to be so prepaid and the dates therefor and the final payment date is as indicated in the following table:

<u>Year Ending</u> <u>October 1</u>	<u>Principal Component</u> <u>To Be Prepaid</u>
--	--

As provided in the Trust Agreement, notice of prepayment shall be mailed by first class mail, not less than 20 nor more than 45 days before the prepayment date, to the Registered Owner of this Certificate, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for prepayment. If this Certificate is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, interest shall cease to accrue with respect hereto from and after the date fixed for prepayment.

Whenever less than all the Outstanding Certificates are called for prepayment, the Trustee shall select Certificates for prepayment, from the Outstanding Certificates not previously called for prepayment, as directed by the District or, if the District does not so direct, pro rata among maturities and by lot within each maturity so that following such prepayment remaining annual payments of principal and interest represented by the Certificates are proportionate to the amounts of such payments initially established under the Trust Agreement.

The District has certified that all acts, conditions and things required by the statutes of the State of California and the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Certificate do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the Trustee is duly authorized to execute and deliver this Certificate, and that the amount of this Certificate, together with all other Certificates executed and delivered under the Trust Agreement, is not in excess of the amount of Certificates authorized to be executed and delivered thereunder.

Terms used herein which are not otherwise defined shall have the respective meanings assigned thereto in the Trust Agreement.

Under the terms of the Trust Agreement, the District is authorized to sell Additional Certificates secured by Lease Payments for use and occupancy of the Property. Such Additional

Certificates would be payable from legally available moneys of the District and be subject to appropriation.

The Trustee has no obligation or liability to the Registered Owners to make payments of principal or interest components of Lease Payments pertaining to the Certificates except from Lease Payments paid to the Trustee and from the various funds and accounts established under the Trust Agreement. The Trust Agreement provides that the recitals of facts, covenants and agreements in this Certificate shall be taken as statements, covenants and agreements of the District, and the Trustee assumes no responsibility for the correctness of the same. The Trustee has executed this Certificate solely in its capacity as Trustee under the Trust Agreement and not in its individual or personal capacity.

IN WITNESS WHEREOF, this Certificate has been executed and delivered by U.S. BANK NATIONAL ASSOCIATION, as Trustee, acting pursuant to the Trust Agreement.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

Date of Execution: _____, 2019

STATEMENT OF INSURANCE

[TO COME]

[REMAINDER OF PAGE LEFT BLANK]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(print or typewrite name, address, including postal zip code,
and social security or other identifying number of Transferee)

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature guarantees must be made by a guarantor institution participation in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B - SEMI-ANNUAL CERTIFICATE PAYMENT SCHEDULE

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Semi-Annual Payments</u>	<u>Annual Payments</u>
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EXHIBIT C

FORM OF WRITTEN DELIVERY/PROJECT COST REQUISITION

U.S. Bank National Association
633 W. Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust

RE: Disbursement from the Project Fund pursuant to Section 3.03 of the Trust Agreement related to the Perris Union High School District 2019 Certificates of Participation (School Financing Project), dated as of May 1, 2019 (the "Agreement"), by and among U.S. Bank National Association, as trustee (the "Trustee"), Perris Valley Schools Capital Facilities Corporation (the "Corporation") and the Perris Union High School District (the "District")

REQUISITION NO. _____

You are hereby instructed to pay to the District, or to _____ at _____ \$_____ as a [Delivery/Project] Cost from the Project Fund as provided in Section 3.03 of the Agreement. This [Delivery/Project] Cost has been properly incurred, is a proper charge against the Project Fund and has not been the basis of any previous disbursements.

The amount remaining in the Project Fund, together with interest earnings on the Project Fund plus investment earnings on other funds that will be transferred into the Project Fund, will, after payment of the amount set forth in this requisition, be sufficient to pay all remaining Delivery Costs and Project Costs, as presently estimated.

Very truly yours,

District Representative

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