TO: Jefferson Crain  
Executive Officer of the Board

FROM: V. Luis Buendia  
Deputy Chief Financial Officer

DATE: September 3, 2020

SUBJECT: DOCUMENTS FOR BOARD REPORT NUMBER 054-20/21

Enclosed are the following documents in connection with the proposed Refunding Certificates of Participation, 2020 Series A:

- Lease Agreement
- Trust Agreement
- Site Lease
- Assignment Agreement
- Official Statement together with the Proposed Form of Approving Opinion of Special Counsel
- Contract of Purchase
- Continuing Disclosure Certificate

The Board is requested to approve Board Report Number 054-20/21 Refunding Certificates of Participation, 2020 Series A on September 15, 2020. The Board action includes approving “as to form”1 of the documents above.

As a reminder, this Board item must be voted separately and cannot be on consent.

These documents are to be on file with the Executive Officer of the Board, in accordance with the District’s resolution.

If you have any questions, please call Timothy S. Rosnick (213) 604-1090.

c: (no enclosures)  
Megan K. Reilly  
David D. Hart  
David Holmquist  
Joy Mayor  
Patricia Chambers  
Timothy S. Rosnick

1 Approves the basic framework of the documents, including all legally required elements, but actual terms of the agreement may change.
This document is recorded for the benefit of the Los Angeles Unified School District, and recording is fee-exempt under §27383 of the Government Code.

LEASE AGREEMENT

Dated as of [Dated Date]

by and between

LAUSD FINANCING CORPORATION, as lessor

and the

LOS ANGELES UNIFIED SCHOOL DISTRICT, as lessee

[SPA]
Refunding Certificates of Participation, 2020 Series A
TABLE OF CONTENTS

ARTICLE I
DEFINITIONS; RULES OF CONSTRUCTION AND EXHIBITS

Section 1.1. Definitions ................................................................................................................2
Section 1.2. Article and Section Headings ...................................................................................2
Section 1.3. References to Lease Agreement ...............................................................................2
Section 1.4. Number and Gender .................................................................................................2
Section 1.5. Exhibits ....................................................................................................................2

ARTICLE II
REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the District .....................................2
Section 2.2. Representations, Covenants and Warranties of Corporation ...................................4

ARTICLE III
DEPOSIT OF MONEYS; PAYMENT OF DELIVERY COSTS

Section 3.1. Deposit of Moneys ...................................................................................................5
Section 3.2. Payment of Delivery Costs ......................................................................................5

ARTICLE IV
AGREEMENT TO LEASE; TERM OF LEASE AGREEMENT; LEASE PAYMENTS

Section 4.1. Lease ........................................................................................................................6
Section 4.2. Term of Lease Agreement .......................................................................................6
Section 4.3. Possession ................................................................................................................6
Section 4.4. Lease Payments .........................................................................................................6
Section 4.5. Principal Components and Interest Components of the Lease Payments ..............8
Section 4.6. Quiet Enjoyment ......................................................................................................8
Section 4.7. Title ..........................................................................................................................8
Section 4.8. Additional Payments ................................................................................................8
Section 4.9. No Merger ................................................................................................................9

ARTICLE V
MAINTENANCE; TAXES; INSURANCE; USE LIMITATIONS; AND OTHER MATTERS

Section 5.1. Acquisition, Construction and Installation of the Project ........................................9
ARTICLE VI

DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1. Eminent Domain .................................................................14
Section 6.2. Application of Net Proceeds .................................................15
Section 6.3. Disbursement for Replacement or Repair of the Property ..........15
Section 6.4. Disbursement for Prepayment ...............................................16
Section 6.5. Abatement of Lease Payments ..............................................16

ARTICLE VII

DISCLAIMER OF WARRANTIES; ACCESS; RELEASE AND INDEMNIFICATION

Section 7.1. Disclaimer of Warranties .......................................................17
Section 7.2. Access to the Property ..........................................................17
Section 7.3. Release and Indemnification ...................................................17

ARTICLE VIII

ASSIGNMENT AND SUBLEASING; SUBSTITUTION, ADDITION AND RELEASE OF PROPERTY; AMENDMENTS

Section 8.1. Assignment by the Corporation ..............................................18
Section 8.2. Assignment and Subleasing by the District ..............................18
Section 8.3. Substitution, Addition and Release of Property; Amendments .......18

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default Defined ....................................................20
Section 9.2. Remedies on Default ............................................................21
Section 9.3. No Remedy Exclusive ............................................................23
Section 9.4. Agreement to Pay Attorneys’ Fees and Expenses ................................................. 23
Section 9.5. No Additional Waiver Implied by One Waiver ..................................................... 23
Section 9.6. Application of Proceeds......................................................................................... 23
Section 9.7. Trustee, Insurer and Certificate Owners to Exercise Rights................................. 24

ARTICLE X
PREPAYMENT OF LEASE PAYMENTS

Section 10.1. Security Deposit ..................................................................................................... 24
Section 10.2. Optional Prepayment ............................................................................................. 25
Section 10.3. Extraordinary Prepayment from Net Proceeds of Insurance or Eminent Domain ........................................................................................................... 25

ARTICLE XI
MISCELLANEOUS

Section 11.1. Notices ................................................................................................................... 26
Section 11.2. Binding Effect ........................................................................................................ 26
Section 11.3. Severability ............................................................................................................ 26
Section 11.4. Net-net-net Lease .................................................................................................. 26
Section 11.5. Further Assurances and Corrective Instruments ..................................................... 26
Section 11.6. Applicable Law ...................................................................................................... 26
Section 11.7. Corporation and District Representatives .............................................................. 26
Section 11.8. Captions ................................................................................................................. 26
Section 11.9. Assignment to Trustee ........................................................................................... 27
Section 11.10. Execution in Counterparts...................................................................................... 27

EXHIBIT A: Schedule of Principal Components of Lease Payments.......................................... A-1
EXHIBIT B: Description of the Property ..................................................................................... B-1
LEASE AGREEMENT

THIS LEASE AGREEMENT (this “Lease Agreement”), dated as of [Dated Date], is by and between the LAUSD FINANCING CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California, as lessor (the “Corporation”), and the LOS ANGELES UNIFIED SCHOOL DISTRICT, a school district duly organized and existing under the Constitution and laws of the State of California, as lessee (the “District”);

WITNESSETH:

WHEREAS, pursuant to the Education Code, the District may enter into a lease and an immediate sublease back with the Corporation with respect to the financing of capital acquisitions and improvements to be used by the District; and

WHEREAS, the Corporation is authorized to provide financial assistance to the District by acquiring, constructing, remodeling, rehabilitating, equipping, improving, financing and refinancing various public facilities, land and equipment and by leasing certain facilities, land and equipment for the use, benefit and enjoyment of the public, served by the District, as well as any other purpose incidental thereto; and

WHEREAS, the District previously caused the execution and delivery of the $21,615,000 Certificates of Participation 2010 Series B-1 (Federally Taxable Direct Pay Build America Bonds) (Capital Projects I) and the $61,730,000 Certificates of Participation 2010 Series B-2 (Tax-Exempt) (Capital Projects I) (collectively, the “Prior Certificates”); and

WHEREAS, the District previously entered into the 2013 Lease Agreement, dated as of June 1, 2013, by and between the District and the Corporation (the “2013 Lease”); and

WHEREAS, the District desires to refund the Prior Certificates and prepay the balance of the remaining Base Rental Payments (as defined in the 2013 Lease) due by the District under the 2013 Lease through the sale of the Refunding Certificates of Participation, 2020 Series A (the “Certificates”) evidencing undivided interests in lease payments to be made by the District under this Lease Agreement which will be executed and delivered pursuant to the Trust Agreement (hereinafter referred to); and

WHEREAS, the District has entered into a Site Lease of even date herewith and recorded concurrently herewith (the “Site Lease”) with the Corporation, under which the Corporation has agreed to lease the Property from the District, and to sublease back the Property to the District pursuant hereto, under which the title to the Property shall vest in the District at the expiration of such Site Lease, and which Site Lease contains other terms and conditions as the governing board of the District deems to be in the best interest of the District; and

WHEREAS, the Corporation will assign without recourse certain of its rights under the Site Lease and the Lease Agreement, including all of its rights to receive the Lease Payments (as defined in the Trust Agreement) scheduled to be paid by the District pursuant to the Lease Agreement, to the Trustee for the benefit of the Owners of the Certificates pursuant to an
Assignment Agreement, dated as of the date hereof (the “Assignment Agreement”), by and between the Corporation and the Trustee; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Lease Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease Agreement;

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

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION AND EXHIBITS

Section 1.1. Definitions. All capitalized terms used herein shall, for all purposes of this Lease Agreement, have the meanings ascribed to them in the Trust Agreement, dated as of the date hereof, by and among The Bank of New York Mellon Trust Company, N.A., as trustee thereunder (the “Trustee”), the Corporation and the District (the “Trust Agreement”), together with any amendments thereof or supplements thereto permitted to be made thereunder, unless the context clearly requires some other meaning.

Section 1.2. Article and Section Headings. Unless otherwise specified, references to Articles, Sections, and other subdivisions of this Lease Agreement are to the designated Articles, Sections, and other subdivisions of this Lease Agreement as originally executed. The headings or titles of the several articles and sections, and the table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the provisions hereof.

Section 1.3. References to Lease Agreement. The words “hereof,” “herein,” “hereunder,” and words of similar import refer to this Lease Agreement as a whole.

Section 1.4. Number and Gender. The singular form of any word used herein, including terms defined as provided in Section 1.1, shall include the plural and vice versa. The use of a word of any gender shall include all genders.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the District. The District represents, covenants and warrants to the Corporation as follows:

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

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

(c) **Valid, Binding and Enforceable Obligations.** This Lease Agreement, the
Site Lease and the Trust Agreement have been duly authorized, executed and delivered by the
District and constitute the legal, valid and binding obligations of the District enforceable against
the District in accordance with their respective terms.

(d) **No Encumbrances.** The District will not mortgage or encumber the
Property, except as provided under the terms of this Lease Agreement, the Site Lease and the Trust
Agreement.

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

(f) **Consents and Approvals.** No consent or approval of any trustee or holder
of any indebtedness of the District or of the voters of the District, and no consent, permission,
authorization, order or license of, or filing or registration with, any governmental authority is
necessary in connection with the execution and delivery of this Lease Agreement, the Site Lease
and the Trust Agreement, or the consummation of any transaction herein or therein contemplated,
except as have been obtained or made and as are in full force and effect.

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

(h) **Education Code Compliance.** In accordance with Section 17456 of the Education Code of the State, with respect to this Lease Agreement and the Site Lease the District expended the proceeds of the sale of the Prior Certificates solely for capital outlay purposes and, in accordance with Section 17457 of the Education Code, no proceeds of the sale of the Prior Certificates were used for general operating purposes of the District.

Section 2.2. **Representations, Covenants and Warranties of Corporation.** The Corporation represents, covenants and warrants to the District as follows:

(a) **Due Organization and Existence.** The Corporation is a nonprofit, public benefit corporation organized and existing under and by virtue of the laws of the State; has power to enter into this Lease Agreement, the Site Lease, the Assignment Agreement and the Trust Agreement; is possessed of full power to own and hold, improve and equip real and personal property and to lease and sell the same; and has duly authorized the execution and delivery of all of the aforesaid agreements and such agreements constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.

(b) **Due Execution.** The representatives of the Corporation executing this Lease Agreement, the Assignment Agreement, the Site Lease and the Trust Agreement have been fully authorized to execute the same pursuant to a resolution duly adopted by the Board of Directors of the Corporation.

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

(d) **No Encumbrances.** The Corporation will not pledge the Lease Payments or other amounts derived from the Property and from its other rights under this Lease Agreement and will not mortgage or encumber the Property, except as provided under the terms of this Lease Agreement, the Site Lease, the Assignment Agreement and the Trust Agreement.

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

(f) **No Assignments.** Except as provided herein and in the Assignment Agreement, the Corporation will not assign this Lease Agreement, its right to receive Lease Payments from the District or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

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

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

**ARTICLE III**

**DEPOSIT OF MONEYS; PAYMENT OF DELIVERY COSTS**

**Section 3.1. Deposit of Moneys.** On the Closing Date for the Certificates, the Corporation shall cause to be deposited with the Trustee the proceeds of the sale of the Certificates delivered on such Closing Date, including any original issue premium and less any underwriter’s discount, original issue discount and bond insurance premium), which amounts shall be applied in accordance with Section 2.07 of the Trust Agreement.

**Section 3.2. Payment of Delivery Costs.** Payment of Delivery Costs for the Certificates shall be made from the moneys deposited in the Delivery Costs Fund, which moneys shall be disbursed for such purpose in accordance and upon compliance with Sections 3.02 and 3.04(b) of the Trust Agreement.
ARTICLE IV

AGREEMENT TO LEASE; TERM OF LEASE AGREEMENT;
LEASE PAYMENTS

Section 4.1. **Lease.** The Corporation hereby leases the Property to the District, and the District hereby leases the Property from the Corporation, upon the terms and conditions set forth in this Lease Agreement.

Section 4.2. **Term of Lease Agreement.** The Term of this Lease Agreement shall commence on the date of recordation hereof and shall end on December 1, 2035, unless such term is extended as hereinafter provided. If, on December 1, 2035, the Trust Agreement and this Lease Agreement shall not be discharged or otherwise terminated by their respective terms, if the Lease Payments payable hereunder shall have been abated at any time and for any reason, or if any payments are due to the Insurer, then the Term of this Lease Agreement shall be extended until there has been deposited with the Trustee an amount sufficient to pay all obligations due under the Trust Agreement and this Lease Agreement, and all amounts due to the Insurer, as the case may be; provided, however, that in no event shall the Term of this Lease Agreement extend beyond December 1, 2045.

Section 4.3. **Possession.** The District hereby agrees to accept and take possession of the Property on or prior to the date of recordation of this Lease Agreement.

Section 4.4. **Lease Payments.**

(a) **Obligation to Pay.** Subject to Section 6.5 hereof, the District agrees to pay to the Corporation, its successors and assigns, as rental for the use and occupancy of the Property, as composed at any time, and from time to time, during each Rental Period, the Lease Payments (denominated into components of principal and interest) in the semiannual amounts and on the dates specified in Exhibit A hereto, as such exhibit may be amended and modified from time to time in connection with any change in the Property, to be due and payable on the respective Lease Deposit Dates. Each Lease Payment shall be deposited with the Trustee no later than the Lease Deposit Date preceding the Lease Payment Date on which such Lease Payment is due.

Any amount held in the Lease Payment Fund on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to Article X hereof and other than amounts required for payment of Certificates not yet surrendered) shall be credited towards the Lease Payment due and payable on the succeeding Lease Payment Date; and no Lease Payment need be deposited on any Lease Deposit Date if the amounts then held in the related subaccount in the Lease Payment Fund and available for such purpose are at least equal to the Lease Payment then required to be deposited. The Lease Payments for the Property due and payable in any Rental Period shall be for the use and occupancy of the Property during such Rental Period.

THE OBLIGATION OF THE DISTRICT TO MAKE 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 MAKE THE LEASE PAYMENTS DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE CORPORATION, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

(b) Effect of Prepayment. In the event that the District prepays all remaining Lease Payments evidenced by the Certificates in full pursuant to Article X hereof and Article XIV of the Trust Agreement, the obligations under this Lease Agreement with respect to such Lease Payments shall thereupon cease and terminate including, but not limited to, the obligation to pay such Lease Payments under this Section 4.4 evidenced by such Certificates; subject however, to the provisions of Section 10.1 hereof in the case of prepayment by application of a security deposit. In the event that the District prepays the Lease Payments in part for the Certificates, but not in whole, pursuant to Section 10.3 hereof as a result of any insurance or condemnation award with respect to any portion of the Property, the District shall apply such amounts towards the prepayment of the principal components of the Lease Payments in Authorized Denominations as set forth in an amendment to this Lease Agreement executed and delivered pursuant to Section 8.3(c) hereof.

(c) Overdue Payments. In the event the District should fail to make any of the payments required in this Section 4.4 evidenced by the Certificates, the payment in default shall continue as an obligation of the District until the amount in default shall have been fully paid.

(d) Fair Rental Value. The Lease Payments for the Property for each Rental Period shall constitute the total rental for the Property for each such Rental Period and shall be paid by the District in each Rental Period for and in consideration of the right of the use and occupancy, and the continued quiet use and enjoyment, of the Property during each Rental Period. The parties hereto have agreed and determined that the Lease Payments for the Property do not exceed the fair rental value of the Property. In making such determination, consideration has been given to the obligations of the parties under this Lease Agreement, the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the District and the general public.

(e) Source of Payments; Budget and Appropriation. The Lease Payments shall be payable from any source of available funds of the District, subject to the provisions of Article VI and Section 10.3 hereof. The District covenants to take such action as may be necessary to include all Lease Payments and Additional Payments due under this Lease Agreement in each of its budgets during the Term of this Lease Agreement and to make the necessary appropriations for all such Lease Payments and Additional Payments due under this Lease Agreement in the Fiscal Year covered by such budget. The covenants on the part of the District contained herein shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the District.
(f) **Assignment.** The District understands and agrees that all Lease Payments have been assigned by the Corporation to the Trustee in trust, pursuant to the Assignment Agreement, for the benefit of the Owners of the Certificates and the District hereby assents to such assignment. The Corporation hereby directs the District, and the District hereby agrees to pay to the Trustee at its Principal Office, all payments payable by the District pursuant to this Section 4.4 and all amounts payable by the District pursuant to Article X hereof.

Section 4.5. **Principal Components and Interest Components of the Lease Payments.** The aggregate principal amount of the Lease Payments of the Certificates to be paid by the District to the Corporation hereunder with respect to the Property shall be as set forth in Exhibit A attached hereto. The interest components of the Lease Payments evidenced by the Certificates shall accrue at the rates set forth in the Trust Agreement. The District shall pay to the Trustee for deposit in the related subaccount of the Lease Payment Fund the scheduled principal components and interest components of the Lease Payments on the Lease Deposit Dates. The Lease Payment Dates related thereto are set forth in Exhibit A attached hereto.

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

Section 4.7. **Title.**

(a) During the Term of this Lease Agreement, the Corporation shall hold fee title (or leasehold title pursuant to (i) the Site Lease when the District shall hold fee title to the Property or (ii) a Permitted Encumbrance) to those portions of the Property which are newly acquired and any and all additions which compose fixtures, repairs, replacements or modifications to the Property, except for those fixtures, repairs, replacements or modifications which are added to the Property by the District at its own expense and which may be removed without damaging the Property and except for any items added to the Property by the District pursuant to Section 5.9 hereof.

(b) If the District prepays the Lease Payments in full pursuant to Article X hereof or makes the security deposit permitted by Section 10.1 hereof, or pays all Lease Payments during the Term of this Lease Agreement as the same become due and payable and all amounts due to the Insurer are paid in full, all right, title and interest of the Corporation under this Lease Agreement in and to the related Property shall be transferred to and vested in the District. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the District to consummate any such transfer of title or other interest.

Section 4.8. **Additional Payments.** In addition to the Lease Payments, the District shall pay when due all costs and expenses incurred by the District and the Corporation in complying with the provisions of the Trust Agreement, including without limitation payment of
all Delivery Costs (to the extent not paid from amounts on deposit in the Delivery Costs Fund),
compensation, reimbursable expenses and fees due to the Trustee, all amounts due to the Insurer,
all costs and expenses of auditors, engineers, counsel and accountants and any amounts required
to be rebated to the federal government, which payments shall not be subject to abatement. Any
Additional Payments shall be paid directly to the person or person to whom such amounts shall be
payable.

Section 4.9. **No Merger.** It is the express intention of the parties hereto that this
Lease Agreement, and the obligations of the parties hereunder, shall be and remain separate and
distinct from the Site Lease, if the Site Lease shall be delivered, and the obligations of the parties
thereunder, and that, during the term of the Site Lease, if the Site Lease shall be delivered, no
merger of title or interest shall occur or be deemed to occur as a result of the position of the District
as lessor under the Site Lease and as lessee hereunder or the position of the Corporation as lessee
under the Site Lease and as lessor under this Lease Agreement.

**ARTICLE V**

MAINTENANCE; TAXES; INSURANCE; USE LIMITATIONS;
AND OTHER MATTERS

Section 5.1. [Omitted].

Section 5.2. **Maintenance, Utilities, Taxes and Assessments.** Throughout the
Term of this Lease Agreement, as part of the consideration for the rental of the Property, all
improvement, repair and maintenance of the Property shall be the responsibility of the District,
and the District shall pay for or otherwise arrange for the payment of all utility services supplied
to the Property, which may include, without limitation, janitor service, security, power, gas,
telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange
for the payment of the cost of the repair and replacement of the Property resulting from ordinary
wear and tear or want of care on the part of the District or any assignee or sublessee thereof. In
exchange for the Lease Payments herein provided, the Corporation agrees to provide only the
Property, as hereinbefore more specifically set forth. The District waives the benefits of
subsection 2 of Section 1932 and subsection 4 of Section 1933 of the California Civil Code, but
such waiver shall not limit any of the rights of the District under the terms of this Lease Agreement.

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

Section 5.3. **Modification of Property.** The District shall, at its own expense, have the right to remove portions of the Property or to make additions or modifications to the Property. All additions and modifications shall thereafter compose part of the Property and be subject to the provisions of this Lease Agreement. Such additions and modifications shall not in any way damage the Property, substantially alter its nature, cause the interest component of Lease Payments evidenced by the Certificates to be subject to federal income taxes or cause the Property to be used for purposes other than those authorized under the provisions of State and federal law or the articles of incorporation of the Corporation; and the Property, during and upon completion of any removal, additions or modifications made thereto pursuant to this Section 5.3, shall be of a rental value which is not less than the maximum annual Lease Payments due in any Rental Period evidenced and represented by all Outstanding Certificates. The District will not permit any mechanic’s or other lien to be established or remain against the Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the District pursuant to this Section 5.3; provided that if any such lien is established and the District shall first notify or cause to be notified the Corporation of the intention to do so, the District may in good faith contest any lien filed or established against the Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Corporation with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Corporation. The Corporation will cooperate fully in any such contest, upon the request and at the expense of the District. The District agrees that it will take no action that would affect the availability of the Property for its use and possession.

Section 5.4. **Liability and Property Damage Insurance.** The District shall maintain or cause to be maintained, throughout the Term of this Lease Agreement, insurance policies, including a standard comprehensive general insurance policy or policies in protection of the Corporation, the District and the Trustee and their respective members, officers, agents and employees. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the District, and may be maintained through the Corporation or in the form of self-insurance by the District; provided, however, that the District shall not maintain rental interruption insurance in the form of self-insurance. Said policy or policies shall provide for indemnification of said parties against direct or consequential loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Said policy or policies shall provide coverage in the minimum liability limits of $1,000,000 for personal injury or death of each person and $3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of $1,000,000 (subject to a deductible clause not to exceed $500,000 per occurrence) for damage to property resulting from each accident or event. Such liability and property damage insurance may, however, be in the form of a single limit policy in the amount of $3,000,000 covering all such risks.
Section 5.5. Fire, Extended Coverage, Boiler and Machinery and Workers’ Compensation Insurance.

(a) The District shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, insurance against loss or damage to any structures constituting any part of the Property by fire, lightning and flood (if reasonably necessary), with extended coverage and vandalism and malicious mischief insurance, which coverage may exclude earthquake insurance, with the Trustee named as additional insured and loss payee, with responsible and reputable insurance companies. Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried by the District and may be maintained in whole or in part through the Corporation.

Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the lesser of 100% of the replacement value of the Property or 100% of the remaining Lease Payments evidencing and representing principal with respect to all outstanding Certificates. The Net Proceeds of such insurance shall be applied as provided in Section 6.2 hereof.

(b) The District shall also procure and maintain, or cause to be maintained, throughout the term of this Lease Agreement, boiler and machinery coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereafter installed on any portion of the Property in an amount not less than $5,000,000 per accident, and worker’s compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure its employees against liability for compensation under the Worker’s Compensation Insurance and Safety Act now in force in the State of California, or any act hereafter enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the District.

Section 5.6. Rental Interruption Insurance. The District shall procure and maintain, or cause to be maintained, throughout the Term of this Lease Agreement rental interruption insurance to cover loss, total or partial, of the use of any part of the Property during the Term of this Lease Agreement in an amount equal to the greatest twenty-four (24) months of Lease Payments for such Property, with the Trustee named as additional insured and loss payee. Such insurance may be carried in conjunction with, and may be subject to the same provisions as, the insurance required under Section 5.5 hereof. The District hereby assigns to the Corporation all right of the District, if any, to collect and receive Net Proceeds under any of said policies, which right has been assigned by the Corporation to the Trustee pursuant to the Assignment Agreement. The Net Proceeds of such insurance shall be paid to the Trustee and deposited in the Lease Payment Fund and shall be credited towards the payment of the Lease Payments in the order in which the Lease Payments are due and payable.

Section 5.7. Title Insurance.

(a) The District shall provide, from moneys in the Delivery Costs Fund or at its own expense, on the Closing Date or as soon thereafter as practicable, an ALTA or a CLTA title insurance policy covering, and in the amount of not less than the principal amount of the
Certificates, insuring all of the fee title of the District in the Property, the subleasehold estate of the Corporation in the Property and the leasehold estate of the District in the Property securing the Certificates (provided that one or more of said estates may be insured through an endorsement to such policy), subject only to Permitted Encumbrances, with the Trustee as additional insured and loss payee.

(b) The Net Proceeds of such title insurance shall be applied as provided in Section 6.2 hereof.

Section 5.8. General Insurance Requirements; Form of Policies; Annual Certification; Advances. The District shall maintain or cause to be maintained, during the entire term of this Lease Agreement, with insurers of recognized responsibility (or through the District’s current program of self-insurance with respect to insurance required by Sections 5.4 and 5.5) all coverage required by Sections 5.4, 5.5, 5.6 and 5.7. The District may not change its program of self-insurance for any insurance required under this Lease Agreement. Each policy of insurance required by Sections 5.5, 5.6 and 5.7 hereof shall be obtained from an insurance provider licensed to do business in the State and rated “A” or better by A.M. Best & Company, and shall provide that all proceeds thereunder shall be payable to the District and the Trustee as insureds and applied as provided in Section 6.2 hereof. The District shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease Agreement.

The District shall cause to be delivered to the Trustee and the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy on prior to the end of each fiscal year of the District a certificate of the District that the insurance requirements of this Lease Agreement have been met. If the District maintains the insurance required by Sections 5.4 and 5.5 through a program of self-insurance, the District shall include with such annual certificate a statement, verified by a risk manager of the District or an independent financial consultant, which specifies the amounts of coverage available through such self-insurance program. If it shall appear to such risk manager or independent financial consultant that the amounts available pursuant to such self-insurance program are insufficient, taking into account the loss history of the District and the requirements of this Lease Agreement, then (i) such report shall so state and (ii) the District shall obtain commercial insurance or increase the amounts available under such self-insurance program in accordance with the recommendations of such risk manager or independent financial consultant to the extent moneys are available for such purpose and not otherwise appropriated and, provided, that the District shall obtain the insurance required by Section 5.5 hereof in an amount equal to the lesser of 100% of the replacement value of the Property or 100% of the remaining Lease Payments evidencing and representing principal with respect to all Outstanding Certificates.

The Trustee shall not be responsible for the sufficiency of any insurance herein required, including any forms of self-insurance and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss.

The District will affirmatively make (or cause to be made) a claim for payment under any insurance required to be maintained pursuant to this Lease Agreement as soon as practicable following the event or events giving rise to such a claim.
If the District shall fail to perform any of its obligations with respect to obtaining and maintaining insurance pursuant to this Article V, the Corporation or the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the District shall be obligated to repay all such advances as soon as possible, with interest at rates equal to the rates then payable with respect to the Certificates.

Section 5.9. **Installation of Equipment.** The District may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the District, in which neither of the Corporation nor the Trustee shall have any interest, and may be modified or removed by the District at any time provided that the District shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement shall prevent the District from purchasing or leasing items to be installed pursuant to this Section 5.9 under a lease or conditional sale agreement, or subject to a vendor’s lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

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

Section 5.11. **Tax Covenants.**

(a) **General.** The District hereby covenants with the holders of the Certificates that, notwithstanding any other provisions of this Lease, 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 evidenced by the Certificates with respect to Section 103 of the Code. The District shall not, directly or indirectly, use or permit the use of proceeds of the Certificates or any of the property financed or refinanced with proceeds of the Certificates, 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 that could result in the loss of exclusion from gross income for federal income tax purposes of the interest evidenced by 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 District’s obligations evidenced by 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 any of the property financed or refinanced with proceeds of the Certificates, or any portion thereof, or any other funds of the District, that would cause the District’s obligations evidenced by 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 such proceeds and property and such other funds, will comply with applicable requirements of the Code and all regulations of the Treasury Department issued thereunder. The District shall establish reasonable procedures necessary to ensure continued compliance with Section 141 of the Code and the continued qualification of the District’s obligations evidenced by 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 of any property financed or refinanced thereby, or other funds of the District, or take or omit to take any action, that would cause the District’s obligations evidenced by 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 Treasury Department issued thereunder to the extent such requirements are, at the time, in effect and applicable to the District’s obligations evidenced by 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 District’s obligations evidenced by 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 5.11, the District covenants that it will comply with the provisions of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Certificates.

**Section 5.12. No Condemnation.** The District hereby covenants and agrees, to the extent it may do so, that so long as any of the Certificates remain Outstanding and unpaid, the District will not exercise the power of condemnation with respect to the Property. The District further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the District should fail or refuse to abide by such covenant and condemns the Property, the appraised value of the Property shall not be less than the greater of (i) if the Certificates are then subject to prepayment, the principal and interest components of the Certificates Outstanding through the date of their prepayment; or (ii) if such Certificates are not then subject to prepayment, the amount necessary to defease such Certificates to the first available prepayment date in accordance with the Trust Agreement.

**ARTICLE VI**

**DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS**

Section 6.1. **Eminent Domain.** If all of the Property (or portions thereof such that the remainder is not usable for public purposes by the District) shall be taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of this Lease Agreement shall thereupon terminate. If less than all of the Property shall be taken permanently and the remainder is usable for public purposes by the District at the time of such taking, or if all of the Property shall be taken temporarily under the power of eminent domain, (1) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the
contrary, and (2) there shall be a partial abatement of Lease Payments as a result of the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments hereunder, in an amount to be agreed upon by the District and the Corporation such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of such Property.

Section 6.2. Application of Net Proceeds. The District shall remit promptly to the Trustee any Net Proceeds received by the District regarding casualty insurance, and the Trustee shall deposit such Net Proceeds pursuant to Section 7.02 of the Trust Agreement, promptly upon receipt thereof. The District and/or the Corporation shall transfer to the Trustee any other Net Proceeds received by the District and/or Corporation in the event of any accident, destruction, or taking by eminent domain or condemnation with respect to the Property for deposit in the Net Proceeds Fund.

Section 6.3. Disbursement for Replacement or Repair of the Property. Upon receipt of the certification described in paragraph (a) below and the requisition described in paragraph (b) below, the Trustee shall disburse moneys in the Net Proceeds Fund to the person, firm or corporation named in such requisition as provided in Section 7.02 of the Trust Agreement.

(a) Certification. The District Representative must certify to the Corporation and the Trustee that:

(i) Sufficiency of Net Proceeds. The Net Proceeds available for such purpose, together with any other funds supplied by the District to the Trustee and held in the Net Proceeds Fund for such purpose, are expected to equal at least 110% of the projected costs of replacement or repair, as demonstrated in an attached requisition budget; and

(ii) Timely Completion. In the event that damage, destruction or taking results or is expected to result in an abatement of Lease Payments, such replacement or repair can be fully completed within a period not in excess of the period in which rental interruption insurance proceeds as described in Section 5.6 hereof, together with other identified available moneys, will be available to pay in full all Lease Payments coming due during such period as demonstrated in an attached requisition schedule; and

(iii) No Unauthorized Encumbrances. There are no encumbrances on the Property other than Permitted Encumbrances.

(b) Requisition. The District Representative must state with respect to each payment to be made: (i) the requisition number; (ii) the name and address of the person, firm or corporation to whom payment is due; (iii) the amount to be paid; (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Net Proceeds Fund and has not been the basis of any previous withdrawal; and (v) in reasonable detail, the nature of the payment obligation.

Subject to the requirements of Section 7.02 of the Trust Agreement, any balance of the Net Proceeds remaining after such replacement or repair has been completed, as certified in a Written Request of the District to the Trustee, shall be paid to the District.
Section 6.4. Disbursement for Prepayment. If the District shall not have determined to repair or replace the Property, as provided above, the Trustee shall promptly transfer the Net Proceeds to the Prepayment Fund as provided in Section 7.02 of the Trust Agreement and apply them to prepayment of Lease Payments, as provided in Section 10.1 hereof, and prepayment of the corresponding amount of principal represented by the Certificates as provided in Section 4.02 of the Trust Agreement, upon the earlier of the following events:

(i) Written determination of the District Representative that the certification provided in Section 6.3(a) cannot be made and that replacement or repair of any item or portion of the Property, is not economically feasible or in the best interest of the District; and

(ii) One (1) year after the receipt of Net Proceeds.

Section 6.5. Abatement of Lease Payments.

(a) The fair rental value of the Property shall equal or exceed the unpaid principal components and interest components of the Lease Payments at all times; therefore, such payments due hereunder shall not be subject to abatement except as provided in paragraph (b) below.

(b) Lease Payments with respect to the Certificates shall be abated during any period in which, by reason of damage, destruction, any defect in title or other event (other than by eminent domain which is hereinbefore provided for), there is substantial interference with the use and occupancy by the District of the Property or any portion thereof (other than any portions of the Property described in Section 5.3 hereof), and the District waives the benefits of subsection 2 of Section 1932 and subsection 4 of Section 1933 of the California Civil Code and any and all other rights to terminate this Lease Agreement by virtue of any such interference, and this Lease Agreement shall continue in full force and effect. The extent of such abatement shall be agreed upon by the District and the Corporation such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Property not damaged, destroyed or otherwise unavailable for use and occupancy by the District. Such abatement shall continue for the period commencing with such damage, defect in title, destruction or other event and, with respect to damage or destruction of property, ending with the substantial completion of the work of repair or reconstruction or of completion of the Property or of the regained availability of use and occupancy. In the event of any such damage, destruction or non-availability, this Lease Agreement shall continue in full force and effect and the District waives any right to terminate this Lease Agreement by virtue of any such damage, destruction or unavailability.

Notwithstanding the foregoing, there shall be no abatement of Lease Payments under this Section 6.5 by reason of damage, destruction or unavailability of all or a portion of the Property to the extent that:

(i) the fair rental value of the portions of the Property not damaged, destroyed, incomplete or otherwise unavailable for use and occupancy by the District (giving due consideration to the factors identified in the last sentence of Section 4.4(d) hereof), based upon a qualified employee of the District or an independent certified real estate appraiser
selected by the District with expertise in valuing such properties or other appropriate method of valuation, is equal to or greater than the unpaid Lease Payments; or

(ii) (A) the proceeds of rental interruption insurance or (B) amounts in the Net Proceeds Fund and/or the Lease Payment Fund are available to pay Lease Payments which would otherwise be abated under this Section 6.5, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments.

ARTICLE VII

DISCLAIMER OF WARRANTIES; ACCESS; RELEASE AND INDEMNIFICATION

Section 7.1. Disclaimer of Warranties. THE CORPORATION 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 OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY. IN NO EVENT SHALL THE CORPORATION OR ITS ASSIGNS BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THE SITE LEASE, IF ANY, THIS LEASE AGREEMENT OR THE TRUST AGREEMENT FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR THE USE OF THE PROPERTY.

Section 7.2. Access to the Property. The District agrees that the Corporation and any Corporation Representative, the Corporation’s successors or assigns, shall have the right at all reasonable times to enter upon and to examine and inspect the Property. The District further agrees that the Corporation, any Corporation Representative, the Corporation’s successors or assigns shall have such rights of access to the Property as may be reasonably necessary to cause the proper maintenance of the Property in the event of failure by the District to perform its obligations hereunder.

Section 7.3. Release and Indemnification. To the extent permitted by law, the District shall and hereby agrees to indemnify and save the Corporation and the Trustee and their officers, agents, successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on the Property by the District, including, without limitation, the presence on, under or about, or release from, the Property of any substance, material or waste which is or becomes regulated or classified as hazardous or toxic under State, federal or local law, (ii) any breach or default on the part of the District in the performance of any of its obligations under this Lease Agreement, (iii) any act or omission of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Property, (iv) any act or omission of any sublessee of the District with respect to the Property, (v) the authorization of payment of the Delivery Costs, or (vi) the execution of the Trust Agreement and acceptance, administration and performance by the Trustee of the duties of the Trustee under the Trust Agreement. No indemnification is made under this Section 7.3 or elsewhere in this Lease Agreement for willful
misconduct, negligence or breach of duty under this Lease Agreement by the Corporation or the Trustee, their officers, agents, employees, successors or assigns.

ARTICLE VIII

ASSIGNMENT AND SUBLLEASING; SUBSTITUTION, ADDITION AND RELEASE OF PROPERTY; AMENDMENTS

Section 8.1.  Assignment by the Corporation.  The Corporation’s rights under this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the District under this Lease Agreement have been assigned to the Trustee pursuant to the Assignment Agreement, to which assignment the District hereby consents.

Section 8.2.  Assignment and Subleasing by the District.  This Lease Agreement may not be assigned by the District.  The District may sublease the Property or any portion thereof, but only with the prior written consent of the Corporation and the Insurer for so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy, subject to all of the following conditions:

(i)  This Lease Agreement and the obligation of the District to make Lease Payments hereunder shall remain obligations of the District;

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

(iii) No such sublease by the District shall cause the Property to be used for a purpose other than as may be authorized under the provisions of the constitution and laws of the State; and

(iv) The District shall furnish the Corporation and the Trustee with a written opinion of Special Counsel stating that such sublease will not in and of itself result in the interest components of the Lease Payments evidenced by the Certificates to become subject to federal income taxation.

Section 8.3.  Substitution, Addition and Release of Property; Amendments.

(a) Substitution or Addition of Property.  The District shall have, and is hereby granted, the option at any time and from time to time during the Term of this Lease Agreement, to substitute other land, including the Facilities thereon (a “Substitute Site”) for the Property or a portion thereof, or to add additional land, including the Facilities thereon to the Property (“Additional Site”), provided that the District shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such substitution or addition:

(i) If the District holds fee title to such Substitute Site or Additional Site, the District shall file with the Corporation and the Trustee an amended and recorded Site Lease which describes such Substitute Site or Additional Site and shall record or caused to be recorded with the Los Angeles County Recorder any document necessary to include such
Substitute Site or Additional Site in the description of the Property contained in the Site Lease;

(ii) The District shall file with the Corporation and the Trustee an amended and recorded Lease Agreement and shall record or caused to be recorded with the Los Angeles County Recorder any document necessary to include such Substitute Site or Additional Site in the description of the Property contained herein;

(iii) The District delivers to the Trustee and the Corporation a certificate of the District stating that the Property after said substitution or addition has an annual fair rental value equal to or greater than the maximum Lease Payments due in any Rental Period, as determined on the basis of an appraisal of the Property after said substitution or addition, prepared by a qualified employee of the District or an independent certified real estate appraiser selected by the District and that the Property after said substitution or addition has a useful life equal to or greater than the maximum remaining term of this Lease Agreement (including any extensions authorized pursuant to Section 4.2 hereof);

(iv) The District shall obtain an amendment to the existing title insurance policy required pursuant to or shall obtain a new title insurance policy meeting the requirements of Section 5.7 hereof which describes the Substitute Site or Additional Site;

(v) The District shall provide notice of such substitution or addition to any rating agency then rating the Certificates;

(vi) Such substitution or addition shall not cause the District to violate any of its covenants, representations and warranties made in this Lease Agreement or in the Trust Agreement, as evidenced by a certificate of a District Representative delivered to the Trustee;

(vii) The District shall deliver to the Trustee and the Corporation a certificate that the substituted or additional property is essential for performing the District’s governmental functions relating to public education;

(viii) The District shall obtain the written consent of the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy; and

(ix) The District shall obtain an opinion of Special Counsel that such substitution or addition, in and of itself, will not result in the loss of exclusion from gross income for federal income tax purposes of the interest evidenced by the Certificates.

(b) Release of Property. The District shall have, and is hereby granted, the option at any time and from time to time during the Term of this Lease Agreement to release any portion of the Property, provided that the District shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(i) If the District holds fee title to such Property, the District shall file with the Corporation, the Insurer so long as the Certificates are Outstanding and the Insurer is not
in default with respect to its obligations with respect to the Insurance Policy and the Trustee
an amended and recorded Exhibit A to the Site Lease which describes the Property, as
revised by such release and shall record or cause to be recorded any document necessary
to re-convey such released property under the Site Lease;

(ii) The District shall file with the Corporation and the Trustee an amended and
recorded Exhibit B to this Lease Agreement which describes the Property, as revised by
such release and shall record or cause to be recorded with the Los Angeles County
Recorded any document necessary to re-convey such released property hereunder;

(iii) The District delivers to the Trustee and the Corporation a certificate of the
District stating that the Property after said release has an annual fair rental value equal to
or greater than the maximum Lease Payments due in any Rental Period, as determined on
the basis of an appraisal of the Property after said release, conducted by an MAI appraiser
designated by the District and that the Property after said release has a useful life equal to
or greater than the maximum remaining term of this Lease Agreement (including of any
extensions authorized pursuant to Section 4.2 hereof);

(iv) The District shall obtain an amendment to the title insurance policy required
pursuant to or shall obtain a new title insurance policy meeting the requirements of
Section 5.7 hereof which describes the Property, as revised by such release;

(v) The District shall provide notice of such release to any rating agency then
rating the Certificates;

(vi) Such release shall not cause the District to violate any of its covenants,
representations and warranties made in this Lease Agreement or in the Trust Agreement,
as evidenced by a certificate of a District Representation delivered to the Trustee; and

(vii) The District shall obtain an opinion of Special Counsel that such release, in
and of itself, will not result in the loss of exclusion from gross income for federal income
tax purposes of the interest evidenced by the Certificates.

(c) Amendments. The District and the Corporation will not alter, modify or
cancel, or agree or consent to alter, modify or cancel this Lease Agreement, except with the written
consent of the Insurer so long as the Certificates are Outstanding and the Insurer is not in default
with respect to its obligations with respect to the Insurance Policy, in connection with a
substitution, addition or release permitted by this Section 8.3 and as may be permitted by Article X
of the Trust Agreement.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default Defined. The following shall be “Events of
Default” under this Lease Agreement and the terms “Events of Default” and “Default” shall mean,
whenever they are used in this Lease Agreement, any one or more of the following events:
(a) Failure by the District to pay any Lease Payment or Additional Payment required to be paid hereunder at the time specified herein.

(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (a) of this Section 9.1, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Corporation, the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy, the Trustee or the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Certificates then Outstanding; provided, however, with the consent of the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy, if the failure stated in the notice can be corrected, but not within the applicable period, the Corporation and the Trustee shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected.

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

Section 9.2. Remedies on Default. Whenever any Event of Default or Default referred to in Section 9.1 hereof shall have happened and be continuing, it shall be lawful for the Corporation, at the direction of the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy, to exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement; provided, however, that notwithstanding anything herein or in the Trust Agreement to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the District is expressly made a condition and upon the breach thereof the Corporation, at the direction of the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy, may exercise any and all rights of entry and re-entry upon the Property, and also, at its option, with or without such entry, may terminate this Lease Agreement as provided in paragraph (b) of this Section 9.2; provided, that no such termination shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. In the event of such Event of Default or Default and notwithstanding any re-entry by the Corporation, the District shall, as herein expressly provided, continue to remain liable for the payment of the Lease Payments and/or damages for breach of this Lease Agreement and the performance of all conditions herein contained and, in any event such Lease Payments and/or damages shall be payable to the Corporation at the time and in the manner as herein provided, to wit:
(a) In the event the Corporation, at the direction of the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy, does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (b) hereof, the District agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Corporation for any deficiency arising out of the re-leasing of the Property, or, in the event the Corporation does not re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of this Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation or the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Corporation. The District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to enter upon and re-lease the Property upon the occurrence and continuation of any Default or Event of Default and to remove all personal property whatsoever situated upon the Property to place such property in storage or other suitable place in Los Angeles County, for the account of and at the expense of the District, and the District hereby exempts and agrees to save harmless the Corporation and the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Property and the removal and storage of such property by the Corporation or the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy or either of their duly authorized agents in accordance with the provisions herein contained. The District hereby waives any and all claims for damages caused or which may be caused by the Corporation and the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy in re-entering and taking possession of the Property as herein provided and all claims for damages that may result from the destruction of or injury to the Property and all claims for damages to or loss of any property belonging to the District that may be in or upon the Property. The District agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation to re-lease the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, upon the occurrence and continuation of any Default or Event of Default hereunder, the right to terminate this Lease Agreement shall vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof. The District further waives the right to any rental obtained by the Corporation in excess of the Lease Payments and hereby conveys and releases such excess to the Corporation as compensation to the Corporation for its services in re-leasing the Property.

(b) Upon the occurrence and continuation of any Default or Event of Default hereunder, the Corporation at its option, at the direction of the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy, may terminate this Lease Agreement and re-lease all or any portion of the
Property. In the event of the termination of this Lease Agreement by the Corporation at its option and in the manner hereinafter provided on account of an Event of Default or a Default by the District (and notwithstanding any re-entry upon the Property by the Corporation in any manner whatsoever or the re-leasing or sale of the Property), the District nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments. Any surplus received by the Corporation from such re-leasing shall be the absolute property of the Corporation and the District shall have no right thereto, nor shall the District be entitled to any credit in the event of a deficiency in the rentals received by the Corporation from the Property. Neither notice to pay rent or to deliver up possession of the premises given pursuant to law nor any proceeding in unlawful detainer taken by the Corporation shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the District shall be or become effective by operation of law, or otherwise, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this Lease Agreement. The District covenants and agrees that no surrender of the Property or of the remainder of the Term of this Lease Agreement or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

Section 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation and the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation and the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

Section 9.4. Agreement to Pay Attorneys’ Fees and Expenses. In the event either party to this Lease 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 performance 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.

Section 9.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.6. Application of Proceeds. All net proceeds received from the release or other disposition of the Property under this Article IX, and all other amounts derived by the
Corporation or the Trustee as a result of a Default or an Event of Default hereunder, shall be transferred to the Trustee promptly upon receipt thereof and applied by the Trustee in accordance with Section 13.03 of the Trust Agreement.

Section 9.7. **Trustee, Insurer and Certificate Owners to Exercise Rights.** Such rights and remedies as are given to the Corporation under this Article IX have been assigned by the Corporation to the Trustee under the Trust Agreement, to which assignment the District hereby consents. Such rights and remedies shall be exercised by the Trustee, the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy and the Owners of the Certificates as provided in the Trust Agreement and herein.

**ARTICLE X**

**PREPAYMENT OF LEASE PAYMENTS**

Section 10.1. **Security Deposit.** Notwithstanding any other provision of this Lease Agreement the District may, secure the payment of all or a portion of the Lease Payments remaining due with respect to the Certificates by a deposit with an escrow holder under an escrow deposit and trust agreement as referenced in Section 14.01(a)(iii) of the Trust Agreement, of: (a) in the case of a security deposit relating to all Lease Payments, either (i) an amount which, together with amounts on deposit in the Lease Payment Fund and Net Proceeds Fund, is sufficient to pay all unpaid Lease Payments with respect to such Certificates, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Exhibit A, or (ii) Eligible Securities in such amount as will, in the opinion of an independent certified public accountant, be fully sufficient to pay or repay all unpaid Lease Payments with respect to such Certificates on or before their respective Payment Dates (a “Verification Report”); or (b) in the case of a security deposit relating to a portion of the Lease Payments with respect to such Certificates, a certificate executed by a District Representative designating the portion of the Lease Payments with respect to such Certificates to which the deposit pertains, and either (i) an amount of money which is sufficient to pay the portion of the Lease Payments with respect to such Certificates designated in such District Representative’s certificate, or (ii) Eligible Securities in such amount as will, together with interest to be received thereon, if any, in the opinion of an independent certified public accountant, be fully sufficient to pay the portion of the Lease Payments with respect to such Certificates designated in the aforesaid District Representative’s certificate.

Prior to any defeasance becoming effective under this Article, (i) the District shall cause to be delivered a copy of the escrow deposit agreement entered into in connection with such defeasance, which escrow deposit agreement shall provide that no substitution of Eligible Securities shall be permitted except with other Eligible Securities and upon delivery of a new Verification Report and no reinvestment of Eligible Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report, and (ii) a copy of an opinion of Special Counsel, dated the date of such defeasance and addressed to the Trustee and the District, in form and in substance acceptable to the Trustee and the District,
to the effect that such Certificates have been paid within the meaning and with the effect expressed in the Trust Agreement, and all agreements and covenants of the Corporation, the District and the Trustee to the Owners of such Certificates under the Trust Agreement have ceased, terminated and become void and have been discharged and satisfied.

In the event of a deposit pursuant to this Section 10.1 as to all Lease Payments evidenced by the Certificates and satisfaction of the requirements set forth in section 14.01 of the Trust Agreement, all obligations of the District under this Lease Agreement shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all payments from the deposit made by the District pursuant to this Section 10.1. Said deposit and interest earnings thereon shall be deemed to be and shall constitute a special fund for the payments provided for by this Section 10.1.

Section 10.2. Optional Prepayment. (a) The District may prepay all or a portion of the Lease Payments evidenced by the Certificates from any source of available funds, on any date on or after December 1, 20__, by paying all or a portion, as elected by the District, of principal components of such Lease Payments evidenced by the Certificates and accrued but unpaid interest components of such Lease Payments evidenced by the Certificates to be prepaid to the date of such Prepayment.

(c) The District may prepay, from any source of available funds, all or any portion of the Lease Payments by depositing with the Trustee moneys or securities as provided, and subject to the terms and conditions set forth, in Section 10.1 hereof and Article XIV of the Trust Agreement sufficient to make such Lease Payments when due or to make such Lease Payments through a specified date on which the District has a right to prepay such Lease Payments pursuant to subsections (a) or (b) of this Section, and to prepay such Lease Payments on such prepayment date, at a prepayment price determined in accordance with subsections (a) or (b) of this Section.

(d) If less than all of the Lease Payments are prepaid pursuant to this Section then, as of the date of such Prepayment pursuant to subsections (a) or (b) of this Section, or the date of a deposit pursuant to subsection (c) of this Section, the principal and interest components of the Lease Payments shall be recalculated in order to take such Prepayment into account. The District agrees that if, following a partial prepayment of Lease Payments, the Property is damaged, destroyed or taken by eminent domain, or a defect in title to the Property is discovered, the District shall not be entitled to, and by such prepayment waives the right of, abatement of such prepaid Lease Payments and the District shall not be entitled to any reimbursement of such Lease Payments.

(e) Prepayments of Lease Payments made pursuant to this Section 10.2 shall be applied to the prepayment of Certificates as provided in Section 4.02 of the Trust Agreement.

Section 10.3. Extraordinary Prepayment from Net Proceeds of Insurance or Eminent Domain. The District shall be obligated to prepay the Lease Payments in whole or in part, (subject to any additional requirements of Section 4.02 of the Trust Agreement) in any integral multiple of an Authorized Denomination on any date on which the Certificates are subject to prepayment pursuant to Section 4.02 of the Trust Agreement, from and to the extent of any Net
Proceeds of an insurance or title insurance award or a condemnation award theretofore deposited in the Prepayment Fund for such purpose pursuant to Article VI hereof and Article IV of the Trust Agreement. The District and the Corporation hereby agree that such Net Proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the obligations under this Section 10.3. Any such mandatory prepayment must be made from Net Proceeds.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Notices. Unless otherwise specified herein, all notices, certificates or other communications hereunder shall be given in the manner and to the addresses specified in Section 14.04 of the Trust Agreement.

Section 11.2. Binding Effect. This Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the District and their respective successors and assigns.

Section 11.3. Severability. In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.4. Net-net-net Lease. This Lease Agreement shall be deemed and construed to be a “net-net-net lease” and the District hereby agrees that the Lease Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

Section 11.5. Further Assurances and Corrective Instruments. The Corporation and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease Agreement.

Section 11.6. Applicable Law. This Lease Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.7. Corporation and District Representatives. Whenever under the provisions of this Lease Agreement the approval of the Corporation or the District is required, or the Corporation or the District is required to take some action at the request of the other, such approval or such request shall be given for the Corporation by a Corporation Representative and for the District by a District Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 11.8. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Lease Agreement.
Section 11.9. Assignment to Trustee. The District understands and agrees that, upon the execution and delivery of the Assignment Agreement (which is occurring simultaneously with the execution and delivery hereof), all right, title and interest of the Corporation in and to this Lease Agreement will be sold, assigned and transferred to the Trustee for the benefit of the Owners of the Certificates. The District hereby consents to such sale, assignment and transfer. Upon the execution and delivery of the Assignment Agreement, subject to the provisions therein, references in the operative provisions hereof to the Corporation shall be deemed to be references to the Trustee, as assignee of the Corporation.

Section 11.10. Execution in Counterparts. This Lease 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 instrument.

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

LAUSD FINANCING CORPORATION

By: ____________________________
    Joy Mayor
    Secretary

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: ____________________________
    David D. Hart
    Chief Financial Officer
**EXHIBIT A**

**SCHEDULE OF LEASE PAYMENTS**

<table>
<thead>
<tr>
<th>Lease Payment Dates</th>
<th>Principal</th>
<th>Interest&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Total Lease Payments&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

<sup>(1)</sup> As of 033974.
EXHIBIT B

DESCRIPTION OF THE PROPERTY

Those parcels of land and the improvements thereon in the City of Los Angeles, Los Angeles County, State of California, described as follows:
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) ss.

On , before me,

Date

Name and Title of Officer (e.g. “Jane Doe, Notary Public”)

personally appeared

[Name of Signer(s)]

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA                      )
COUNTY OF LOS ANGELES                     ) ss.

On , before me, Name and Title of Officer (e.g. “Jane Doe, Notary Public”)

personally appeared

Name of Signer(s)

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

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

WITNESS my hand and official seal.

Place Notary Seal Above                     Signature of Notary Public
CERTIFICATE OF ACCEPTANCE
BY PUBLIC AGENCY
(Calif. Govt. Code Section 27281)

This is to certify that the interest in real property conveyed by the within and foregoing Lease Agreement to the Los Angeles Unified School District, a governmental agency, by the LAUSD Financing Corporation, is hereby accepted by order of its Board of Education, and the lessee consents to recordation thereof by its duly authorized officer.

LOS ANGELES UNIFIED SCHOOL DISTRICT, Date: [Closing Date]
a school district formed under the laws of the
State of California

__________________________
BY: David D. Hart
ITS: Chief Financial Officer
TRUST AGREEMENT

Dated as of [Dated Date]

by and among

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

and the

LAUSD FINANCING CORPORATION

and the

LOS ANGELES UNIFIED SCHOOL DISTRICT

[$PA]
Refunding Certificates of Participation, 2020 Series A
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ARTICLE I</th>
<th>DEFINITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1.01.</td>
<td>Definitions and Rules of Construction</td>
</tr>
<tr>
<td>Section 1.02.</td>
<td>Interpretation</td>
</tr>
<tr>
<td>Section 1.03.</td>
<td>Authorization</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE II</th>
<th>THE CERTIFICATES OF PARTICIPATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 2.01.</td>
<td>Authorization</td>
</tr>
<tr>
<td>Section 2.02.</td>
<td>Date</td>
</tr>
<tr>
<td>Section 2.03.</td>
<td>Maturity; Interest Rates</td>
</tr>
<tr>
<td>Section 2.04.</td>
<td>Registration; Interest</td>
</tr>
<tr>
<td>Section 2.05.</td>
<td>Form of Certificates</td>
</tr>
<tr>
<td>Section 2.06.</td>
<td>Execution</td>
</tr>
<tr>
<td>Section 2.07.</td>
<td>Application of Proceeds</td>
</tr>
<tr>
<td>Section 2.08.</td>
<td>Transfer and Exchange</td>
</tr>
<tr>
<td>Section 2.09.</td>
<td>Certificates Mutilated, Lost, Destroyed or Stolen</td>
</tr>
<tr>
<td>Section 2.10.</td>
<td>Payment</td>
</tr>
<tr>
<td>Section 2.11.</td>
<td>Execution of Documents and Proof of Ownership</td>
</tr>
<tr>
<td>Section 2.12.</td>
<td>Certificate Register</td>
</tr>
<tr>
<td>Section 2.13.</td>
<td>Destruction of Cancelled Certificates</td>
</tr>
<tr>
<td>Section 2.14.</td>
<td>Book-Entry System</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE III</th>
<th>DELIVERY COSTS FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 3.01.</td>
<td>Delivery Costs Fund</td>
</tr>
<tr>
<td>Section 3.02.</td>
<td>Purpose of Delivery Costs Fund</td>
</tr>
<tr>
<td>Section 3.03.</td>
<td>Deposit of Moneys; Payment of Delivery Costs</td>
</tr>
<tr>
<td>Section 3.04.</td>
<td>Transfers of Unexpended Proceeds from the Delivery Costs Fund</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE IV</th>
<th>PREPAYMENT OF CERTIFICATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 4.01.</td>
<td>Prepayment Fund</td>
</tr>
<tr>
<td>Section 4.02.</td>
<td>Prepayment</td>
</tr>
<tr>
<td>Section 4.03.</td>
<td>Selection of Certificates for Prepayment</td>
</tr>
</tbody>
</table>
Section 4.04. Notice of Prepayment ............................................................................................19
Section 4.05. Partial Prepayment of Certificates .................................................................20
Section 4.06. Effect of Notice of Prepayment ........................................................................20
Section 4.07. Surplus ...............................................................................................................21
Section 4.08. Credit for Amounts on Deposit .................................................................21

ARTICLE V
LEASE PAYMENTS; LEASE PAYMENT FUND

Section 5.01. Security Provisions ..........................................................................................21
Section 5.02. Lease Payment Fund .......................................................................................22
Section 5.03. Deposits ..........................................................................................................22
Section 5.04. Application of Moneys ...................................................................................22
Section 5.05. Surplus ............................................................................................................22
Section 5.06. Notice ...............................................................................................................22

ARTICLE VI
PROVISIONS RELATING TO THE INSURANCE POLICY

Section 6.01. Payment Procedure Pursuant to Insurance Policy ........................................23
Section 6.02. Reimbursement to Insurer .............................................................................24
Section 6.03. Rights of Insurer ............................................................................................24

ARTICLE VII
NET PROCEEDS FUND AND REBATE FUND

Section 7.01. Net Proceeds Fund ........................................................................................25
Section 7.02. Rebate Fund .........................................................................................Error! Bookmark not defined.

ARTICLE VIII
MONEYS IN FUNDS; INVESTMENT

Section 8.01. Held in Trust ...................................................................................................25
Section 8.02. Investments Authorized ..................................................................................25
Section 8.03. Crediting of Investments ................................................................................26
Section 8.04. Accounting ......................................................................................................26
Section 8.05. Disposition of Investments .........................................................................26
Section 8.06. Commingling of Moneys in Funds ..............................................................26
Section 8.07. Information Concerning Investments ............................................................26
Section 8.08. Notice Concerning Investments ..................................................................27
ARTICLE IX

THE TRUSTEE

Section 9.01. Trustee.................................................................27
Section 9.02. Merger or Consolidation........................................27
Section 9.03. Protection of the Trustee........................................28
Section 9.04. Rights of the Trustee..............................................30
Section 9.05. Standard of Care ..................................................30
Section 9.06. Compensation of the Trustee.................................30
Section 9.07. Indemnification of the Trustee.................................30

ARTICLE X

MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 10.01. Amendments ......................................................31
Section 10.02. Procedure for Amendment with Written Consent of the Owners ..................32
Section 10.03. Disqualified Certificates ........................................33
Section 10.04. Effect of Supplemental Agreement ........................33
Section 10.05. Endorsement or Replacement of Certificates Delivered After Amendments ....33
Section 10.06. Amendatory Endorsement of Certificates..................33

ARTICLE XI

COVENANTS; NOTICES

Section 11.01. Compliance With and Enforcement of the Lease Agreement .........................34
Section 11.02. Observance of Laws and Regulations ........................34
Section 11.03. Prosecution and Defense of Suits ................................34
Section 11.04. Further Assurances ..............................................34
Section 11.05. Notice of Trustee ..................................................34
Section 11.06. Continuing Disclosure ...........................................34

ARTICLE XII

LIMITATION OF LIABILITY

Section 12.01. Limited Liability of the District and Corporation ..........................35
Section 12.02. No Liability of the District or Corporation for Trustee Performance ..............35
Section 12.03. Limited Liability of Trustee .......................................35
Section 12.04. Limitation of Rights of Parties and Certificate Owners ..............................35
ARTICLE XIII

EVENTS OF DEFAULT AND REMEDIES OF CERTIFICATE OWNERS

Section 13.01. Events of Default ...................................................................................................36
Section 13.02. Remedies ................................................................................................................36
Section 13.03. Application of Funds ..............................................................................................36
Section 13.04. Institution of Legal Proceedings ............................................................................37
Section 13.05. Non-Waiver ............................................................................................................37
Section 13.06. Remedies Not Exclusive ........................................................................................37
Section 13.07. Power of Trustee to Control Proceedings ..............................................................37
Section 13.08. Limitation on Certificate Owners’ Right to Sue ....................................................38
Section 13.09. Agreement to Pay Attorneys’ Fees and Expenses .................................................38
Section 13.10. Assignment of Rights .............................................................................................38

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Defeasance .............................................................................................................38
Section 14.02. Non-Presentment of Certificates ............................................................................39
Section 14.03. Records ..................................................................................................................40
Section 14.04. Notices ...................................................................................................................40
Section 14.05. Parties Interested Herein ........................................................................................41
Section 14.06. Governing Law ......................................................................................................41
Section 14.07. Binding Effect; Successors ....................................................................................41
Section 14.08. Headings ................................................................................................................41
Section 14.09. Waiver of Notice ....................................................................................................41
Section 14.10. Severability of Invalid Provisions ..........................................................................41
Section 14.11. Unclaimed Moneys ................................................................................................41
Section 14.12. Insurer a Third Party Beneficiary ..........................................................................42
Section 14.13. Execution in Counterparts ......................................................................................42

EXHIBIT A – Form of Certificates of Participation ................................................................................. A-1
EXHIBIT B – Form of Requisition from Delivery Costs Fund .......................................................... B-1
TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of [Dated Date], by and among THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America as trustee (the “Trustee”), the LAUSD FINANCING CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California as lessor under the Lease Agreement (hereinafter referred to as the “Corporation”), and the LOS ANGELES UNIFIED SCHOOL DISTRICT, a school district organized and existing under the Constitution and laws of the State of California, including, without limitation, Sections 4000 et seq. of the Education Code of the State of California, as lessee under said Lease (the “District”);

W I T N E S S E T H:

WHEREAS, the District previously caused the execution and delivery of the $21,615,000 Certificates of Participation, 2010 Series B-1 (Federally Taxable Direct Pay Build America Bonds) (Capital Projects I) and the $61,730,000 Certificates of Participation, 2010 Series B-2 (Tax-Exempt) (Capital Projects I) (collectively, the “Prior Certificates”); and

WHEREAS, the District previously entered into the 2013 Lease Agreement, dated as of June 1, 2013, by and between the District and the Corporation (the “2013 Lease”); and

WHEREAS, the District desires to refund the Prior Certificates and prepay the balance of the remaining Base Rental Payments (as defined in the 2013 Lease) due by the District under the 2013 Lease through the sale of the Refunding Certificates of Participation, 2020 Series A (the “Certificates”) evidencing undivided interests in lease payments to be made by the District under the Lease Agreement (hereinafter referred to) which will be executed and delivered pursuant to this Trust Agreement; and

WHEREAS, the District proposes to utilize the assistance of the Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State, including, without limitation, the Nonprofit Public Benefit Corporation Law (Sections 5110 et. seq. of the State Corporations Code); and

WHEREAS, the District and the Corporation desire to facilitate the refinancing of the Project by entering into a Site Lease (as defined herein), pursuant to which the District will lease to the Corporation real property described in the Site Lease, together with the facilities and improvements thereon (collectively, the “Property”); and

WHEREAS, the District and the Corporation propose to enter into the Lease Agreement (as defined herein) pursuant to which the Corporation will sublease the Property to the District and the District will pay Lease Payments (as defined herein) and Prepayments (as defined herein) to be evidenced and represented by the Certificates; and

WHEREAS, as security therefor, the Corporation will assign the rights to receive such Lease Payments and Prepayments, and the Corporation and District will grant a security interest in all moneys held by the Trustee hereunder to the Trustee for the benefit of the Owners of Certificates executed and delivered hereunder; and

WHEREAS, the Trustee has agreed to execute and deliver the Certificates each evidencing proportionate interests in the Lease Payments and Prepayments made by the District under the Lease Agreement; and
NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, 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. Words of the masculine gender used in this Trust Agreement shall be deemed and construed to include correlative words of the feminine and neuter genders. 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.

“Additional Payments” means all costs and expenses incurred by the District and the Corporation in complying with the provisions of this Trust Agreement, including without limitation payment of all Delivery Costs (to the extent not paid from amounts on deposit in the Delivery Costs Fund), compensation, reimbursable expenses and fees due to the Trustee, all costs and expenses of auditors, engineers, counsel and accountants and any amounts required to be rebated to the federal government.

“Assignment Agreement” means the Assignment Agreement, dated as of the date hereof, by and between the Trustee and the Corporation, and any duly authorized and executed amendments thereto.

“Authorized Denominations” means, with respect to the Certificates, $5,000 and any integral multiple thereof.

“Book-Entry Certificates” means the Certificates registered in the name of the nominee of DTC, or any successor securities depository for such Certificates, as the registered owner thereof pursuant to the terms and provisions of Section 2.14 hereof.

“Business Day” means any day of the year other than Saturday or Sunday or any other day on which banks in New York, New York or Los Angeles, California are not authorized or obligated by law or executive order to close and on which the New York Stock Exchange is not closed.

“Certificate of the District” means an instrument in writing signed by a District Representative. Such certificate shall include (a) a statement that, in the opinion of the signer, he or she has made or caused to be made such examination or investigation as is necessary to enable the signatory to express an informed opinion as to what he or she is certifying to and (b) a statement as to whether, in the opinion of the signer, the agreement, condition, covenant or term being certified to has been complied with.

“Certificate of the Corporation” means an instrument in writing signed by a Corporation Representative. Such certificate shall include (a) a statement that, in the opinion of the signer, he or she has made or caused to be made such examination or investigation as is necessary to enable the signatory to express an informed opinion as to what he or she is certifying to and (b) a statement as to whether, in the opinion of the signer, the agreement, condition, covenant or term being certified to has been complied with.

“Certificate Register” means the registration books required to be maintained by the Trustee pursuant to Section 2.12 hereof.
“Certificates” means the [SPA] Refunding Certificates of Participation, 2020 Series A to be executed and delivered pursuant hereto.

“Closing Date” means the day when the Certificates, duly executed by the Trustee, are delivered to the underwriter thereof.

“Code” means the Internal Revenue Code of 1986, as amended, 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 the Continuing Disclosure Certificate executed by the District dated the date of the execution and delivery of the Certificates, as amended from time to time in accordance with the terms thereof.

“Corporation” means the LAUSD Financing Corporation, a California nonprofit public benefit corporation, and its successors and assigns.

“Corporation Representative” means the President, the Vice President, the Treasurer or the Secretary of the Corporation, or any person authorized to act on behalf of the Corporation under or with respect to the Lease Agreement.

“Delivery Costs” means and includes all items of expense directly or indirectly payable by or reimbursable to the District or the Corporation relating to the execution and delivery of the Certificates, including but not limited to underwriting costs, title insurance, 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 fees and charges, financing and other professional consulting fees, costs of rating agencies or credit ratings, fees for execution, transportation and safekeeping of the Certificates and charges and fees in connection with the foregoing.

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

“District” means the Los Angeles Unified School District, a school district organized and existing under the Constitution and laws of the State, and its successors and assigns.

“District Representative” means the Chief Financial Officer or the Controller of the District, or a person authorized by the Chief Financial Officer or the Controller to act on behalf of the District under or with respect to 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 securities depository for the Certificates.

“Eligible Securities” means (1) Non-callable direct obligations of, or obligations fully and unconditionally guaranteed as to the timely payment of principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States. These include, but are not limited to:

• U.S. Treasury Obligations
  All direct or fully guaranteed obligations
• Farmers Home Administration
  Certificates of beneficial ownership

• General Services Administration
  participation certificates

• U.S. Maritime Administration
  Guaranteed Title XI financing

• Small Business Administration
  Guaranteed participation certificates
  Guaranteed pool certificates

• Government National Mortgage Association (GNMA)
  GNMA - guaranteed mortgage-backed securities
  GNMA - guaranteed participation certificates

• U.S. Department of Housing and Urban Development
  Local authority bonds

• Washington Metropolitan Area Transit Authority
  Guaranteed transit bonds

• State and Local Government Series

• Veterans Administration
  Guaranteed REMIC Pass-through certificates

(2) Non-callable obligations of government-sponsored agencies that are not backed by the full
faith and credit of the U.S. Government. These include, but are not limited to:

• Federal Home Loan Mortgage Corp. (FHLMC)
  Debt Obligations

• Farm credit System (Formerly: Federal Land Banks, Intermediate Credit Banks, and
  Banks for Cooperatives)
  Consolidated Systemwide bonds and notes

• Federal Home Loan Banks (FHL Banks)
  Consolidated debt obligations

• Federal National Mortgage Association (FNMA)
  Debt Obligations

• Student Loan Marketing Association (SLMA)
  Debt obligations

• Resolution Funding Corp. (REFCORP)
  Debt obligations
• U.S. Agency for International Development (U.S. A.I.D.) Guaranteed Notes (must mature at least 4 business days before the appropriate payment date)

(3) Certain stripped securities where the principal-only and interest-only strips are derived from non-callable obligations issued by the U.S. Treasury, and REFCORP securities stripped by the Federal Reserve Bank of New York. (No custodial receipts, i.e. CATs, TIGERS, unit investment trusts and mutual funds, etc. will be permitted).


“Escrow Agreement” means the Escrow Agreement, dated as of [Dated Date], between the District and the Escrow Agent, as amended in accordance with the provisions thereof.

“Escrow Fund” means a fund established by the cash and investments therein are to be applied to pay the principal and interest relating to the Prior Certificates.

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

“Facility” means, as of any date, the improvements comprising a portion of the Property leased by the Corporation to the District pursuant to the Lease Agreement.

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

“Independent Appraiser” means a qualified appraiser who is not an employee of the Corporation, the Trustee or the District.

“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.

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

“Insurer” means _____________, a New York stock insurance company, or any successor thereto or assignee thereof.

“Interest Payment Date” means April 1 and October 1 of each year, commencing on April 1, 2021, with respect to the interest payments evidenced by the Certificates so long as any Certificates remain Outstanding.

“Lease Agreement” means the Lease Agreement, dated the date hereof, between the District and the Corporation, and any authorized and executed amendments thereto.

“Lease Deposit Date” means three Business Days preceding any Lease Payment Date.

“Lease Payment” means any payment required to be paid by the District to the Corporation pursuant to Section 4.4 of the Lease Agreement and set forth in Exhibit A thereto.
“Lease Payment Date” means each April 1 and October 1, commencing on April 1, 2021.

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

“Letter of Representations” means the letter of the District and the Trustee delivered to and accepted by the Depository on or prior to delivery of the Certificates as Book-Entry Certificates setting forth the basis on which the Depository serves as depository for such Book-Entry Certificates, as originally executed or as it may be supplemented or revised or replaced by a letter from the District and the Trustee delivered to and accepted by the Depository.

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

“Net Proceeds” means any proceeds of insurance carried pursuant to Article V of the Lease Agreement, 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 DTC or a Substitute Depository, as determined from time to time pursuant to Section 2.14 hereof. The initial Nominee shall be “Cede & Co.”

“Outstanding,” when used as of any particular time with respect to the 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 Eligible 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) pursuant to Article XIV hereof, provided that, if such Certificates are to be prepaid prior to maturity, notice of such prepayment shall have been given as provided in Section 4.04 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 2.08 or 2.09 hereof;

provided however, that any amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of this Trust Agreement and the Certificates relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Corporation in accordance with the Trust Agreement.
“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 Certificate Register.

“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.

“Permitted Encumbrances” means, with respect to the Property, as of any particular time: (i) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the District may permit to remain unpaid; (ii) the Assignment Agreement; (iii) the Lease Agreement; (iv) the Site Lease, (v) any right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law; (vi) ground leases, judgment liens in favor of the District, easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record on the Closing Date; (vii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of the Lease Agreement and to which the Corporation and the District consent in writing and (viii) any encumbrance authorized in writing by the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy.

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

1. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury) or obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America.

2. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):
   a. Farmers Home Administration (FmHA) certificates of beneficial ownership
   b. Federal Housing Administration debentures (FHA)
   c. General Services Administration participation certificates
   d. Government National Mortgage Association (GNMA or “Ginnie Mae”) GNMA-guaranteed mortgage-backed bonds and GNMA-guaranteed pass-through obligations (participation certificates)
   e. U.S. Maritime Administration guaranteed Title XI financing
   f. U.S. Department of Housing and Urban Development (HUD) project notes and local authority bonds

3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):
a. Federal Home Loan Bank System senior debt obligations (consolidated debt obligations)

b. Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”) Participation Certificates (Mortgage-backed securities) and senior debt obligations

c. Federal National Mortgage Association (FNMA or “Fannie Mae”) Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities that are valued greater than par on the portion of unpaid principal.)

d. Student Loan Marketing Association (SLMA or “Sallie Mae”) senior debt obligations

e. Resolution Funding Corp. (REFCORP): Only the interest component of REFCORP strips that have been stripped by request to the Federal Reserve Bank of New York in book-entry form are acceptable.

f. Farm Credit System consolidated system-wide bonds and notes

4. Money market mutual funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor’s of “AAAm-G,” “AAAm,” or “AA-m” and if rated by Moody’s, “Aaa,” “Aa1,” or “Aa2,” including funds for which the Trustee or its affiliates provide investment advisory or other management services or serve as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Trust Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Trust Agreement may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

5. Certificates of deposit secured at all times by collateral described in (1) and/or (2) above. Certificates of deposit must have a five year or less maturity. Such certificates must be issued by commercial banks, including the Trustee and its affiliates, savings and loan associations or mutual savings banks whose short term obligations are rated “A-1”+ or better by Standard & Poor’s and “Prime-1” by Moody’s. The collateral must be held by a third party and the Trustee must have a perfected first security interest in the collateral.

6. Certificates of deposit (including those placed by a third-party pursuant to an agreement between the District and the Trustee), time deposits, interest bearing deposits, overnight bank deposits, interest bearing money market accounts, trust funds, trust accounts), savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF including those of the Trustee or its affiliates.

7. Investment agreements, including guaranteed investment contracts, approved by the rating agencies then rating the Certificates.

8. Commercial paper rated “Prime-1” by Moody’s and “A-1+” or better by Standard & Poor’s.
9. Bonds or notes issued by any state or municipality that are rated by Moody’s and Standard 
& Poor’s in one of the two highest long-term rating categories assigned by such agencies.

10. Federal funds, bank deposits or bankers’ acceptances with a maximum term of one year of 
any bank which has an unsecured, uninsured and non-guaranteed obligation rating of 
“Prime-1” or “A3” or better by Moody’s and “A-1+” by Standard & Poor’s or are fully 
FDIC-insured, including those of the Trustee and its affiliates.

11. Repurchase agreements (including those of the Trustee or any of its affiliates) that provide 
for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the 
Trustee (buyer/lender), and the transfer of cash from the Trustee to the dealer bank or 
securities firm with an agreement that the dealer bank or securities firm will repay the cash 
plus a yield to the Trustee in exchange for the securities at a specified date. Repurchase 
agreements (each a “repo” and, collectively, “repos”) must satisfy the following criteria:

   a. Repos must be between the Trustee and the following dealers or banks:
      (1) Primary dealers on the Federal Reserve reporting dealer list which fall under the 
          jurisdiction of the SIPC and that are rated A or better by Standard & Poor’s and 
          Moody’s, or
      (2) Banks rated “A” or above by Standard & Poor’s and Moody’s.

   b. The written repo contract must include the following:
      (1) Securities that are acceptable for transfer are: (a) Direct U.S. governments, and
          (b) Federal agencies backed by the full faith and credit of the U.S. government
          (and FNMA & FHLMC)
      (2) The term of the repo may be up to 30 days
      (3) The collateral must be delivered to the Trustee (if Trustee is not supplying the 
          collateral) or third party acting as agent for the Trustee (if the Trustee is supplying 
          the collateral) before/simultaneous with payment (perfection by possession of 
          certificated securities).
      (4) The Trustee has a perfected first priority security interest in the collateral.
      (5) Collateral is free and clear of third-party liens and in the case of SIPC brokers, was 
          not acquired pursuant to a repo or reverse repo.
      (6) Failure to maintain the requisite collateral percentage, after a two day restoration 
          period, will require the Trustee to liquidate collateral.
      (7) Valuation of Collateral is determined as follows: (a) The securities must be valued 
          weekly, marked-to-market at current market price plus accrued interest; (b) The 
          value of collateral must be equal to 104% of the amount of cash transferred by the 
          Trustee to the dealer bank or security firm under the repo plus accrued interest. If 
          the value of securities held as collateral slips below 104% of the value of the cash 
          transferred by Trustee, then additional cash and/or acceptable securities must be
transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

c. A legal opinion must be delivered to the Trustee that the Repo meets guidelines under State law for legal investment of public funds.

12. Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by Standard & Poor’s. If, however, the issue is rated only by Standard & Poor’s (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or “AAA” rated pre-refunded municipals to satisfy this condition.

13. Los Angeles County Investment Pool.

14. Any other investment authorized in writing by the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy.

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

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

“Principal Office” means the corporate trust office of the Trustee in Los Angeles, California, provided however, that for purposes of transfer, exchange, surrender, payment and prepayment, such term means the designated corporate trust office or agency of the Trustee, The Bank of New York Mellon Trust Company, N.A., or such other office designated by the Trustee.

“Principal Payment Date” means October 1 of each year, commencing on October 1, 2021, with respect to the principal payments evidenced by the Certificates.

“Property” means that certain real property and the improvements thereon as defined in the Lease Agreement.

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

“Rebate Fund” means the fund by that name established and held by the Trustee pursuant to Article VII of this Trust Agreement.

“Requisition” means the form of written requisition substantially in the form attached hereto as Exhibit B.

“Rental Period” means the period from the Closing Date through June 30, 2021 and, thereafter, the twelve-month period commencing on July 1 of each year during the term of the Lease Agreement.

“Site Lease” means the Site Lease, dated the date hereof, between the Corporation and the District.

“Special Counsel” means an 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.
“Standard & Poor’s” means Standard & Poor’s Ratings Services, division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, or, if such corporation shall for any reason no longer perform the function of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized rating agency designated by the District.

“State” means the State of California.

“Substitute Depository” shall have the meaning ascribed thereto in Section 2.14(e)(i)(A).

“Tax Certificate” means the Tax Certificate dated as of the date of delivery of the Certificates executed by and delivered to the District, including any and all exhibits attached thereto.

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

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


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

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

Section 1.02. Interpretation.

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

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

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

(d) Except as otherwise set forth herein, any reference to a time of day set forth herein shall mean Los Angeles time.

Section 1.03. 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.
ARTICLE II

THE CERTIFICATES OF PARTICIPATION

Section 2.01. **Authorization.** The Trustee is hereby authorized and directed to register, execute and deliver the Certificates in an aggregate principal amount of [SPA] evidencing proportionate and undivided ownership interests in the Lease Payments and the Prepayments evidenced by the Certificates. In no event shall the Certificates be deemed a debt or liability of the Trustee.

Section 2.02. **Date.** Each Certificate shall be dated the Closing Date, and interest evidenced thereby shall be payable from the Interest Payment Date next preceding the date of execution thereof, unless (a) it is executed as of the Interest Payment Date, in which event interest evidenced thereby shall be payable from the date thereof; (b) it is executed after a Record Date and before the following Interest Payment Date, in which event interest evidenced thereby shall be payable from such following Interest Payment Date, or (c) it is executed prior to the close of business on the first Record Date, in which event interest evidenced thereby shall be payable from the Closing Date; **provided, however,** that if, as of the date of execution of any Certificate, interest has not been paid when due with respect to any Outstanding Certificate, interest evidenced by such Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Certificates.

Section 2.03. **Maturity; Interest Rates.** The principal evidenced by the Certificates shall become due and payable on October 1 of the following years and shall evidence interest at the following rates:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>%</td>
</tr>
</tbody>
</table>

Section 2.04. **Registration; Interest.** The Certificates shall be delivered in the form of fully registered Certificates without coupons in the denomination of $5,000 or any integral multiple thereof. The Certificates shall be numbered as the Trustee deems appropriate.

Interest evidenced by the Certificates shall be payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2021, 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 Interest Payment Date evidenced by 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 evidenced by any Certificate shall be computed by multiplying the portion of Lease Payments designated as principal evidenced by such Certificate by the rate of interest applicable to such Certificate.

Section 2.05. **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 necessary or appropriate variations, omissions and insertions as permitted or required by this Trust Agreement. Pending the preparation of definitive Certificates, at the request of the underwriter, the Certificates may be 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, when available, 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 2.06. 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. If any officer whose signature appears on any Certificate ceases to be such officer before the date of delivery of said Certificate, such signature shall nevertheless be as effective as if the signatory had remained in office until such date. The Trustee shall insert the date of execution of each Certificate in the place provided thereon.

Section 2.07. Application of Proceeds. The proceeds received by the Trustee from the sale of the Certificates in the aggregate amount of $______________ (representing the principal amount of the Certificates, plus $______________ aggregate [net] original issue premium, less $________ transferred to the Insurer for the premium for the Insurance Policy, and less $______________ paid to the underwriter) shall forthwith be deposited by the Trustee as follows: the amount of $_____ into the Escrow Fund established under the Escrow Agreement, the amount of $_______ to pay the 2013 Lease and the amount of $_____ into the Delivery Costs Fund.

Section 2.08. 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 hereof by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Certificate for cancellation at the Principal Office accompanied by a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates of the same aggregate principal amount, maturity and interest rate in Authorized Denominations.

(b) Exchange of Certificates. Certificates may be presented for exchange at the Principal Office for the same 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 District shall pay all other registration and exchange costs, including the cost of printing Certificates. All Certificates surrendered pursuant to the provisions of this Section shall be cancelled 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 (i) between the date which is fifteen (15) days immediately preceding the selection of Certificates for prepayment and the date that notice of such prepayment is mailed, and (ii) as to any Certificate selected for prepayment.

Section 2.09. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee shall execute and deliver a new Certificate of like tenor as the Trustee shall determine in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated and provision of indemnity satisfactory to the Trustee. Every mutilated Certificate so surrendered to the Trustee shall be cancelled by it and redelivered to, or upon the order of, the District. 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 the District and if an indemnity satisfactory to the Trustee and the District indemnifying the Trustee, the Corporation and the District shall be given, the Trustee shall execute and deliver a new Certificate of like tenor 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 which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Certificate upon receipt of the aforementioned indemnity.

Section 2.10. Payment. Payment of interest evidenced by any Certificate on any Interest Payment Date or prepayment date shall be made to the person appearing on the Certificate Register as the Owner thereof as of the Record Date immediately preceding such Interest Payment Date or prepayment date, as the case may be, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such Owner at his or her address as it appears on the Certificate Register. Payment of interest evidenced by the Certificates may, at the option of any Owner of at least $1,000,000 aggregate principal amount of Certificates (such option to be exercised by the written request of such Owner to the Trustee on or before the Record Date), be transmitted by wire transfer to a bank account located in the United States of America, which bank account number shall be on file with the Trustee as of the Record Date immediately preceding the applicable Interest Payment Date. The principal and premium, if any, payable upon maturity or prepayment with respect to the Certificates shall be payable by check or wire upon surrender of the Certificate 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, or on purchase by the Trustee prior to maturity, and to cancel all Certificates upon payment thereof.

Section 2.11. 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 or her 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 such notary public or other officer 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 Certificate Register.

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 2.12. **Certificate Register.** The Trustee will keep or cause to be kept sufficient books for the registration and transfer of the Certificates which shall, during normal working hours, be open to inspection by the District and the Corporation with reasonable prior notice; 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 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 2.13. **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 shall, in lieu of such delivery, destroy such Certificates and deliver a certificate of such destruction to the District upon its request.

Section 2.14. **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 and interest rate of such Certificates in an authorized denomination corresponding to that total principal amount of such Certificates designated to mature on such date and bear interest at such rate. Upon initial execution and delivery, the ownership of each such Certificate shall be registered in the Certificate Register in the name of the Nominee of DTC and ownership of the Certificates, or any portion thereof may not thereafter be transferred except as provided in Section 2.14(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 DTC, 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 DTC 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 DTC 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 or her 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 of, 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 DTC to the Owner and the Trustee, of written notice to the effect that DTC 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 DTC.

(b) Delivery of Letter of Representations. In order to qualify the Book-Entry Certificates for DTC’s book-entry system, the District and the Trustee shall execute and deliver to DTC the Letter of Representations. The execution and delivery of the Letter of Representations shall not in any way impose upon the District or the Trustee 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 the Letter of Representations, the District and the Trustee shall take such other actions, not inconsistent with this Trust Agreement, as are reasonably necessary to qualify the Certificates for DTC’s book-entry program.

(c) Selection of Depository. In the event (i) DTC 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 may discontinue the book-entry system with DTC. If the District determines to replace DTC 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 different maturity dates and interest rates 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 DTC, then the Certificates shall no longer be restricted to being registered in the 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 2.08 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 Nominee, as provided in the Letter of Representations or as otherwise instructed by DTC and agreed to by the Trustee notwithstanding any inconsistent provisions herein.

(e) Transfer of Certificates to Substitute Depository.

(i) Registered ownership of the 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 2.14(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 to discontinue the book-entry system.

(ii) In the case of any transfer pursuant to clause (A) or clause (B) of subsection (i) of this Section 2.14(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 and interest rate 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 2.14(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, 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 of 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 DTC or the Substitute 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.

ARTICLE III
DELIVERY COSTS FUND

Section 3.01. Delivery Costs Fund. There is hereby established and the Trustee shall maintain a special fund designated as the “2020 Certificates Series A Los Angeles Unified School District Delivery Costs Fund” (the “Delivery Costs Fund”). The Trustee shall keep such fund separate and apart from all other funds and moneys held by it, and shall administer such fund and accounts as provided herein.

Section 3.02. Purpose of Delivery Costs Fund. Moneys in the Delivery Costs Fund shall be expended for Delivery Costs of the Certificates in accordance herewith.

Section 3.03. Deposit of Moneys; Payment of Delivery Costs.

(a) Deposits. There shall be credited to the Delivery Costs Fund the proceeds of sale of the Certificates required to be deposited therein pursuant to Section 2.07 hereof, all investment earnings on
moneys held in the Delivery Costs Fund, and any other funds from time to time deposited with the Trustee to pay Delivery Costs of the Certificates.

(b) Disbursements. The Trustee shall disburse moneys within the Delivery Costs Fund from time to time to pay for Delivery Costs of the Certificates directly or to reimburse the District for payment of such Delivery Costs upon receipt by the Trustee of a Written Request of the District in substantially the form prescribed in Exhibit B hereto. The Trustee shall be absolutely protected in making any disbursement from the Delivery Costs Fund in reliance upon a Written Request of the District. Amounts disbursed from the Delivery Costs Fund shall be deemed disbursed first from moneys therein other than the proceeds of the Certificates.

Section 3.04. Transfers of Unexpended Proceeds from the Delivery Costs Fund. Upon the earlier of (i) receipt of a Certificate of the District that all Delivery Costs have been paid as provided in Exhibit C hereto or (ii) the date that is one year following the date of execution and delivery of the Certificates, the Trustee shall withdraw all remaining moneys in the Delivery Costs Fund, shall transfer such moneys to the District free and clear of the lien of this Trust Agreement.

ARTICLE IV
PREPAYMENT OF CERTIFICATES

Section 4.01. Prepayment Fund. There is hereby established and the Trustee shall maintain a special fund designated as the “2020 Certificates Series A Los Angeles Unified School District Prepayment Fund” (the “Prepayment Fund”). The Trustee shall keep such funds and accounts 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 any Certificates shall be deposited into the Prepayment Fund and used solely for the purpose of prepaying such Certificates in advance of their maturity on the date designated for prepayment and upon presentation and surrender of such Certificates.

Section 4.02. Prepayment.

(a) Optional Prepayment. The Certificates shall be subject to optional prepayment prior to maturity on or after October 1, 20__, at the option of the District, as a whole or in part on any date, from amounts deposited with the Trustee by the District, at a prepayment price equal to 100%, plus accrued but unpaid interest to the prepayment date.

(b) Mandatory Sinking Fund Prepayment.

The Certificates with a stated principal payment date of October 1, 20__ (the “20__ Term Certificates”) shall be subject to prepayment prior to such stated principal payment date, in part, from mandatory sinking fund payments, on each October 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such 20__ Term Certificates to be so prepaid and the dates therefor shall be as follows:

<table>
<thead>
<tr>
<th>Year (October 1)</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

1Stated Maturity.
If some but not all of 20__ Term Certificates are prepaid pursuant to the extraordinary prepayment provisions as described herein under Section 4.02(c), the principal amount of 20__ Certificates to be prepaid pursuant to the mandatory sinking fund prepayment provisions will be reduced by the aggregate principal amount of the 20__ Term Certificates so prepaid pursuant to the extraordinary prepayment provisions, such reduction to be allocated as nearly as practicable on a pro rata basis.

If some but not all of the 20__ Term Certificates are prepaid pursuant to the optional prepayment provisions as described herein under Section 4.02(a) or 4.02(d), the principal amount of 20__ Term Certificates to be prepaid pursuant to the mandatory sinking fund prepayment provisions shall be reduced by the aggregate principal amount of the 20__ Term Certificates so prepaid pursuant to such optional prepayment provisions, such reduction to be allocated among sinking fund prepayment dates selected by the District.

(c) Extraordinary Prepayment. The Certificates shall be subject to prepayment on any Business Day, in whole or in part, from Net Proceeds of condemnation or any insurance award resulting from any defect in title, damage or destruction of all or a portion of the Property which the Trustee shall transfer to the Prepayment Fund at least forty-five (45) days prior to such date of prepayment and credited towards the Prepayment made by the District pursuant to the Lease Agreement, at a prepayment price equal to the principal amount of Certificates prepaid together with accrued interest to the date fixed for prepayment, without premium.

Section 4.03. Selection of Certificates for Prepayment. Whenever provision is made in this Trust Agreement for the prepayment of less than all of the Certificates pursuant to Section 4.02(a), the Trustee shall select the Certificates to be prepaid from all Outstanding Certificates not previously called for prepayment pursuant to this Trust Agreement, among maturities selected by the District and designated in a Written Request of the District delivered to the Trustee at least sixty (60) days (or such shorter period as acceptable to the Trustee) prior to the prepayment date and by lot within any maturity. The Trustee shall promptly notify the District and the Corporation in writing of the Certificates of such Series so selected for prepayment. Whenever provision is made in this Trust Agreement for the prepayment of less than all of the Certificates pursuant to Section 4.02(c), the Trustee shall select the Certificates to be prepaid from all Certificates not previously called for prepayment among maturities of all Series of Certificates on a pro rata basis as nearly as practicable.

Section 4.04. Notice of Prepayment.

(a) Content. When prepayment with respect to the Certificates is authorized or required pursuant to this Article IV, the Trustee shall give notice on behalf and at the expense of the District of the prepayment of the Certificates. Such notice shall specify: (a) that the Certificates or a designated portion thereof are to be prepaid; (b) the numbers of the Certificates (unless all Certificates or all Certificates of a specific maturity have been selected for prepayment) together with the CUSIP numbers to be prepaid (provided that none of the District, the Corporation or the Trustee shall be held liable for the accuracy of such CUSIP numbers); (c) the date of notice and the date of prepayment; (d) the place or places where the prepayment will be made; and (e) the interest rates and stated maturity dates of the Certificates to be prepaid. Such notice shall further state that on the specified prepayment date there shall become due and payable upon each Certificate or portion thereof to be prepaid, the portion of the principal amount represented by such Certificate to be prepaid, together with interest accrued to said date and prepayment premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

(b) Recipients; Timing. Notice of any such prepayment shall be given by the Trustee on behalf and at the expense of the District by registered or otherwise secure mail or delivery service, postage prepaid, or by facsimile transmission, confirmed by telephone, to the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance
Policy and DTC, by electronic submission to the Municipal Securities Rulemaking Board through the
Electronic Municipal Market Access system, or any other entity designated or authorized by the Municipal
Securities Rulemaking Board or Securities and Exchange Commission, at least thirty (30) days but not more
than sixty (60) 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.

(c) Conditional Notice; Rescission. With respect to any notice of prepayment of the
Certificates, such notice may state that such prepayment shall be conditional upon the receipt by the Trustee,
on or prior to the date fixed for such prepayment, of moneys sufficient to pay the prepayment price of and
accrued interest evidenced by 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 and the District shall not be required to prepay such
Lease Payment. In the event that such notice of prepayment contains such a provision and such moneys
are not so received, the prepayment shall not be made and the Trustee shall within a reasonable time
thereafter give notice, in the manner in which the notice of prepayment was given, that such moneys were
not so received and that the prepayment was cancelled. The District may rescind any prepayment and notice
thereof may be rescinded for any reason by providing written notice of such rescission to the Trustee on
any date prior to the date fixed for prepayment. Within one day of receipt of such written notice, the Trustee
shall give written notice of the rescission to the Owners of the Certificates so called for prepayment. Notice
of rescission of prepayment will be given in the same manner in which notice of prepayment was originally
given. The actual receipt by the Owner of any Certificate of notice of such rescission will not be a condition
precedent to rescission and failure to receive such notice or any defect in such notice will not affect the
validity of the rescission.

Section 4.05. 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
represented by such Certificate will be made to such Owner by check mailed by first class mail to the Owner
at his or her address as it appears on the Certificate Register. Upon surrender of any Certificate prepaid in
part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the District, a new
Certificate or Certificates that 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 4.06. Effect of Notice of Prepayment. Notice having been given as aforesaid, and the
moneys for the prepayment (including the interest and prepayment premium, if any, to the applicable date
of prepayment), having been set aside in the Prepayment Fund, the Certificates to be prepaid 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 unpaid 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 of the Certificates to be prepaid,
together with interest to said date of prepayment, shall be held by the Trustee 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 evidenced by such Certificates 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 4.07. Surplus. The Trustee shall notify the District of any funds remaining in the Prepayment Fund after prepayment and payment of all Certificates Outstanding, including accrued interest, and payment of any applicable fees and expenses to the Trustee (including amounts due pursuant to Sections 9.06 and 9.07 hereof), or provision made therefor satisfactory to the Trustee, and provisions for all amounts required to be transferred to the District to pay rebate pursuant to the Tax Certificate. All such funds shall be withdrawn by the Trustee and timely remitted to the District.

Section 4.08. Credit for Amounts on Deposit. In the event of prepayment of the principal components of the Lease Payments in full under this Article IV and Article X of the Lease Agreement, such that this Trust Agreement shall be discharged by its terms as a result of such prepayment, all amounts then on deposit in the Lease Payment Fund shall be credited towards the amounts then required to be so prepaid.

ARTICLE V
LEASE PAYMENTS; LEASE PAYMENT FUND

Section 5.01. Security Provisions.

(a) In order to secure the respective rights of the Owners to the payments required to be made thereto as provided herein, the District hereby irrevocably pledges to the Trustee, for the benefit of the Owners and the Insurer for so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy (provided, the Insurer shall always retain its right to the extent it has become subrogated to holders of any Certificates), all of its right, title and interest, if any, in and to all amounts on deposit from time to time in the funds and accounts established hereunder. It is the intent of the District and the Corporation that by reason of the assignment by the Corporation pursuant to the Assignment Agreement, the Corporation shall have no right, title or interest in or to the funds and accounts established hereunder or the amounts on deposit therein. Nonetheless, should it be determined that, notwithstanding the intent of the parties, the Corporation does have any interest in the funds and accounts established hereunder or the amounts on deposit therein, the Corporation hereby irrevocably pledges to the Trustee for the benefit of the Owners all of its right, title and interest in and to all amounts on deposit from time to time in the funds and accounts established hereunder (other than the Rebate Fund). This pledge shall constitute a first lien on the funds and accounts established hereunder in accordance with the terms hereof.

(b) All Lease Payments shall be paid directly by the District to the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one Business Day after the receipt thereof. All Lease Payments paid by the District shall be deposited by the Trustee in the Lease Payment Fund which the Trustee shall establish and maintain until all required Lease Payments are paid in full pursuant to the Lease Agreement and until the first date upon which the Certificates are no longer Outstanding. The moneys in the Lease Payment Fund shall be held in trust by the Trustee and shall be disbursed only for the purposes and uses herein authorized.

(c) The District, the Corporation, the Trustee and each of them acknowledges and agree that upon the execution and delivery of the Assignment Agreement, the Corporation shall have no rights (except its rights to indemnification), obligations, or duties under the Site Lease and the Lease Agreement, and shall have been released from all of such rights, obligations, and duties, all of which have been assigned to the Trustee pursuant to the Assignment Agreement.
Section 5.02.  Lease Payment Fund.

(a) The Trustee shall establish a special fund designated as the “2020 Certificates Series A Los Angeles Unified School District Lease Payment Fund” (the “Lease Payment Fund”). All moneys at any time 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.

(b) The Trustee, on each Lease Payment Date, shall deposit in the Lease Payment Fund a sufficient amount of money such that the aggregate of amounts therein equal the portion of the Lease Payments designated as the principal and interest component coming due on such Lease Payment Date. Moneys in the Lease Payment Fund shall be used by the Trustee for the purpose of paying the principal and interest evidenced by the Certificates when due and payable.

Section 5.03.  Deposits.  There shall be deposited in the Lease Payment Fund all Lease Payments received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to Section 4.4 of the Lease Agreement (regarding Lease Payments), and any other moneys required to be deposited therein pursuant to the Lease Agreement or pursuant to this Trust Agreement, including pursuant to Section 5.5 of the Lease Agreement (regarding proceeds of rental interruption insurance). Upon receipt of all amounts to be deposited in the Lease Payment Fund, the Trustee will credit the amount of Lease Payments required to pay the principal and interest with evidenced by the Certificates.

Section 5.04.  Application of Moneys.  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 evidenced by 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 thereon may be transferred to the District to pay rebate as the District instructs the Trustee in writing in accordance with the Tax Certificate.

On or before each Interest Payment Date, the Trustee shall first set aside from the Lease Payment Fund an amount sufficient to pay the interest evidenced by the Certificates becoming due and payable on such date, and pay such amount to the Owners, second, set aside from the Lease Payment Fund an amount sufficient to pay the principal evidenced by the Certificates becoming due and payable on such Interest Payment Date, and pay such amount to the Owners, and third, to the payment of any amounts due and owing to the Insurer.

Section 5.05.  Surplus.  The Trustee shall notify the District of any funds remaining in the Lease Payment Fund after payment of all Certificates Outstanding, including accrued interest and payment of any applicable fees to the Trustee or other amounts due the Trustee pursuant to Sections 9.06 and 9.07 hereof, or provision made therefor satisfactory to the Trustee, and provision for any amounts required to be transferred to the District to pay rebate as the District instructs the Trustee in writing in accordance with the Tax Certificate. All such funds shall be withdrawn by the Trustee and timely remitted to the District.

Section 5.06.  Notice.  The Trustee shall send written notification to the District at least twenty-one (21) days prior to each Interest Payment Date, which notification will indicate the Lease Payment due on the next succeeding Lease Payment Date for the Certificates as provided in Section 4.4(a) of the Lease Agreement, less any amount available under the Trust Agreement in the Lease Payment Fund for application as a credit against such Lease Payments; provided, however, that any failure of the Trustee to send such notice shall not relieve the District of its obligation to make Lease Payments.
ARTICLE VI

PROVISIONS RELATING TO THE INSURANCE POLICY

Section 6.01. Payment Procedure Pursuant to Insurance Policy. If, on the third Business Day prior to the scheduled interest payment date or principal payment date with respect to the Certificates ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under this Trust Agreement, moneys sufficient to pay the principal of and interest on the Certificates due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the "Insurer’s Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 p.m., New York City time, on such Business Day. If, on the second Business Day prior to the Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Certificates due on such Payment Date, the Trustee shall make a claim under the Municipal Bond Insurance Policy and give notice to the Insurer and the Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Certificates and the amount required to pay principal of the Certificates, confirmed in writing to the Insurer and the Insurer’s Fiscal Agent (if any) by 12:00 p.m., New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Municipal Bond Insurance Policy.

The Trustee shall designate any portion of payment of principal on Certificates paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Certificates registered to the then current Certificate holder, whether DTC or its nominee or otherwise, and shall issue a replacement Certificate to the Insurer, registered in the name of _____________, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement Certificate shall have no effect on the amount of principal or interest payable by the Lessee on any Certificate or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal paid in respect of any Certificate. The Insurer shall have the right to inspect such records at reasonable times during the Trustee’s normal business hours upon reasonable notice to the Trustee.

Upon payment of a claim under the Municipal Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners referred to herein as the “Policy Payments Account” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Municipal Bond Insurance Policy in trust on behalf of Owners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners in the same manner as principal and interest payments are to be made with respect to the Certificates under the sections hereof regarding payment of Certificates. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything to the contrary otherwise set forth in this Trust Agreement, the Lessee agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the “Insurer Advances”); and (ii) interest on such 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 (collectively, the “Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by _____________ or its successor 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 _________) plus %, and (ii) the then applicable highest rate of interest on the Certificates and (b) 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. The Lessee hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Lease Payments and payable from such Lease Payments on a parity with debt service due on the Certificates.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Certificate payment date shall promptly be remitted to the Insurer.

The Insurer shall, to the extent it makes any payment of principal of or interest on the Certificates, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy. The obligations of the Lessee to the Insurer under this Trust Agreement, the Lease, the Assignment Agreement and the Site Lease shall survive discharge or termination of this Trust Agreement, the Lease, the Assignment Agreement and the Site Lease.

The Insurer shall be entitled to pay principal or interest with respect to the Certificates that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Corporation (as such terms are defined in the Insurance Policy) and any amounts due on the Certificates as a result of acceleration of the maturity thereof in accordance with this Trust Agreement, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

Section 6.02. Reimbursement to Insurer. The Lessee shall reimburse the Insurer, as Additional Payments under the Lease, any and all charges, fees, costs and expenses which the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in this Trust Agreement, the Lease, the Site Lease and the Assignment Agreement, (ii) the pursuit of any remedies under this Trust Agreement or the Lease, Site Lease and the Assignment Agreement or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to or related to, this Trust Agreement or the Lease, the Site Lease or the Assignment Agreement whether or not executed or completed, (iv) any litigation or other dispute in connection with this Trust Agreement or the Lease, the Site Lease or the Assignment Agreement or the transactions contemplated thereby, other than amounts resulting from the failure of the Insurer to honor its obligations under the Insurance Policy.

Section 6.03. Rights of Insurer. For so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy (provided, the Insurer shall always retain its right to the extent it has become subrogated to holders of any Certificates), the Insurer shall be deemed to be the sole Owner of the Certificates for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Certificates are entitled to take pursuant to this Trust Agreement pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of this Trust Agreement and each Certificate, each Owner of the Certificates appoints the Insurer as its agent and attorney-in-fact with respect to the Certificates and agrees that the Insurer may at any time during the continuation of any proceeding by or against the Corporation or the County under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Certificates delegates and assigns to the Insurer, to the fullest
extent permitted by law, the rights of each Owner of the Certificates in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each Owner of the for the Insurer’s benefit, and agrees to cooperate with the Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment.

ARTICLE VII

NET PROCEEDS FUND

Section 7.01. Net Proceeds Fund. There is hereby established and the Trustee shall maintain a special fund when needed designated as the “2020 Certificates Series A Los Angeles Unified School District Net Proceeds Fund” (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 6.2 of the Lease Agreement.

The Trustee shall disburse Net Proceeds for replacement or repair of the Property as provided in Section 6.3 of the Lease Agreement only if it has received the certification and moneys, if any, required by Section 6.3 of the Lease Agreement (and the Trustee shall be protected absolutely in making any disbursements from the Net Proceeds Fund in reliance upon the requisition described in Section 6.3(b) of the Lease Agreement), or transfer such Net Proceeds to the Prepayment Fund upon notification by the District Representative as provided in Section 6.4 of the Lease Agreement. After all of the Certificates have been retired, the entire amount of principal and interest with respect to the Certificates has been paid in full, and payment of any amounts due to the Trustee pursuant to Sections 9.06 and 9.07 hereof, or provision is made therefor satisfactory to the Trustee, including provisions for all amounts required to be transferred to the District to pay rebate pursuant to the Tax Certificate, the Trustee shall remit any remaining moneys in the Net Proceeds Fund to the District.

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 Agreement and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Property or any item or portion thereof.

ARTICLE VIII

MONEYS IN FUNDS; INVESTMENT

Section 8.01. Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Certificates, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Corporation, the Trustee or the District, or any of them. The Certificates evidence an interest in all Lease Payments, and all funds and accounts established hereunder are held for the benefit of all Owners equally.

Section 8.02. Investments Authorized.

(a) Upon Direction of District. The District shall by Written Request of the District filed with the Trustee direct investment in specific Permitted Investments identified in such Written Request of the District. In the absence of such Written Request of the District, the Trustee shall make investments solely in those Permitted Investments set forth in paragraph (4) of the definition thereof; provided, however, that
such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received written direction of the District specifying a specific money market fund, and if no such written direction of the District is so received, the Trustee shall hold such moneys uninvested. The Trustee may conclusively rely upon such investment direction as a certification that such investment constitutes a Permitted Investment.

(b) **Registration.** Such investments, if registrable, shall be registered in the name of the Trustee for the benefit of the Owners and held by the Trustee. The Trustee or any of its affiliates may act as sponsor, advisor or provide administrative or management services in connection with any Permitted Investments.

(c) **Trustee as Purchaser or Agent.** The Trustee or an affiliate may purchase or sell to itself or any affiliate, as principal or agent, Permitted Investments and shall be entitled to its customary fee therefor. The Trustee may act as purchaser or agent in the making or disposing of any investment.

(d) **Trustee Standard of Care.** The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Section and upon the Written Request of the District.

Section 8.03. **Crediting of Investments.** Any income, profit or loss on the investment of moneys held by the Trustee hereunder shall be credited for which such moneys are held, except as otherwise provided herein; provided that in all cases income on investments may be transferred to the District to pay rebate pursuant to the Tax Certificate upon the Written Request of the District.

Section 8.04. **Accounting.** The Trustee shall furnish to the District, not less frequently than monthly, an accounting of all investments made by the Trustee and all funds and amounts held by the Trustee hereunder. The Trustee shall keep accurate records in accordance with industry standards of all funds administered by it and of all Certificates paid and discharged. The Corporation and District acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Corporation or the District the right to receive brokerage confirmations of security transactions as they occur at no additional cost, the Corporation and the District specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Corporation and the District periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Section 8.05. **Disposition of Investments.** The Trustee shall sell at the best price obtainable, 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 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 any such commingling by the Trustee.

Section 8.07. **Information Concerning Investments.** The Trustee shall supply information regarding investments made under this Article VIII at the Written Request of the District, including: (i) purchase date; (ii) purchase price; (iii) any accrued interest paid; (iv) face amount; (v) coupon rate; (vi) periodicity of interest payments; (vii) disposition price; (viii) any accrued interest received; and (ix) disposition date.
Section 8.08. Notice Concerning Investments. The Trustee shall provide notice to the District of any investments made under this Article VIII in monthly account statements.

ARTICLE IX

THE TRUSTEE

Section 9.01. Trustee.

(a) Appointment. The Bank of New York Mellon Trust Company, N.A., is hereby appointed Trustee by the Corporation and the District.

(b) Qualifications. Any successor Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing, located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or State authority, and have a reported capital and surplus of not less than $50,000,000. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority referred to above, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent published report of condition.

(c) Removal. So long as there is no Event of Default or occurrence that with the passage of time will become an Event of Default, upon 30 days’ written notice, the District may remove the Trustee initially appointed, and any successor thereto, and may appoint a successor or successors thereto. The Trustee may be removed by the District any time for any breach of trust hereunder.

(d) Resignation. The Trustee may resign by giving written notice to the District and the Corporation; 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 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; Effective Date. 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 Certificate Owners at their respective addresses set forth on the Certificate Register.

Section 9.02. Merger or Consolidation. Any banking corporation or national 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 banking corporation or national banking association to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such banking corporation or national banking association shall be eligible under Section 9.01 hereof, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding. Prompt notice of such merger or consolidation shall be given to the District and the Corporation. All costs and expenses of such merger or consolidation shall be paid by the successor trustee and no additional charges shall be levied against the District or the Corporation.
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, request, consent, 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 and matters.

(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 the Trustee hereunder in good faith in accordance therewith. Before being required to take any action, the Trustee may require an opinion of Special Counsel acceptable to the Trustee, 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 the Trustee may require a Certificate of the District or Certificate of the Corporation, in lieu of or in addition to such opinion, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying on such opinion or such verified certificate.

(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 the Trustee’s part, shall be deemed to be conclusively proved and established by a Certificate of the District or a Certificate of the Corporation 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 the Trustee may deem reasonable.

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

The Trustee shall not be accountable for the use or application by the District, the Corporation or any other party of any funds which the Trustee has released in accordance with the terms of this Trust Agreement.

The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the District or the Corporation of the Property. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Lease Agreement or this Trust Agreement for the existence, furnishing or use of the Property.

The Trustee undertakes to perform such duties, and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement against 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, the District and the Corporation, having any claim against the Trustee arising from actions taken by the Trustee in compliance with this Trust Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates.

Before taking any action under Article XIII of this Trust Agreement at the request of the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy or the Owners, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

The Trustee shall have no responsibility, opinion or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the execution and delivery of the Certificates.

All indemnifications and releases from liability granted hereunder to the Trustee shall extend to its officers, directors, employees and agents.

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 Insurer or the Owners of a majority in aggregate principal amount of Outstanding Certificates relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Trust Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the District and/or Corporation shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District and/or the Corporation whenever a person is to be added or deleted from the listing. If the District and/or Corporation elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The District and Corporation understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The District and Corporation shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the District, Corporation and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District and/or Corporation. 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 directions conflict or are inconsistent with a subsequent written instruction. The District and Corporation agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions 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; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District and Corporation; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

In acting or omitting to act pursuant to any documents executed in connection herewith or therewith, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Trust Agreement and the Lease Agreement, including, but not limited to, this Article IX.

Section 9.04. Rights of the Trustee.

(a) Ownership of Certificates. The Trustee may become the Owner of Certificates with the same rights that it would have if it were not Trustee; may acquire and dispose of other bonds or evidences of indebtedness of the District with the same rights that it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Certificates, whether or not such committee shall represent the Owners of the majority in 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, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder.

Section 9.05. Standard of Care. The Trustee shall not be liable in connection with the performance of its duties hereunder or under the Assignment Agreement, except for its own negligence or willful misconduct. Upon the occurrence of an Event of Default, the Trustee shall exercise such care in performing its duties hereunder as a reasonable person would exercise in the conduct of his or her affairs.

Section 9.06. Compensation of the Trustee. As Additional Payments under Section 4.9 of the Lease Agreement, the District shall pay to the Trustee reasonable compensation for its services as shall be agreed upon between the Trustee and the District, and the District shall reimburse the Trustee for all of its advances and expenditures, including but not limited to advances to and fees and expenses of Independent Appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by the Trustee in the exercise and performance of its powers and duties hereunder, and the Trustee shall have a lien therefor on any and all funds at any time held by it under this Trust Agreement, which lien shall be prior and superior to the lien of the Certificate Owners. The District’s obligation hereunder shall remain valid and binding notwithstanding maturity and payment of the Certificates.

Section 9.07. Indemnification of the Trustee. The District shall indemnify, to the extent permitted by law, and save the Trustee 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 or management of, or from any work or thing done on or to, the Property 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; (iii) any act of negligence of
the District or of any of its agents, contractors, servants, employees or licensees with respect to the Property; (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; (v) acquisition or construction of the Property; (vi) the actions of any other party, including but not limited to the ownership, operation or use of the Property by the District; (vii) the Trustee’s exercise and performance of its powers and duties hereunder; (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 under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of the Certificates; or (ix) or related to the presence on, under or about, or release from the Property, or any portion thereof, of any substance, material or waste which is or becomes regulated or classified as toxic or hazardous under State, local or federal law, and the violation or noncompliance with, any such laws by the District or the Corporation. Such indemnification shall include the costs and expenses of defending against any claim or liability arising under this Trust Agreement. No indemnification will be made under this Section or elsewhere in this Trust Agreement for willful misconduct, negligence, or breach of duty under this Trust Agreement by the Trustee, its officers, 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. The District’s obligations under Section 9.06 and under this Section 9.07 shall remain valid and binding notwithstanding the maturity and payment of the Certificates or resignation or removal of the Trustee.

ARTICLE X
MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 10.01. Amendments.

(a) With Owners’ Consent. This Trust Agreement and the rights and obligations of the Owners, the Lease Agreement and the rights and obligations of the parties thereto, the Site Lease and the rights and obligations of the parties thereto and the Assignment Agreement and the rights and obligations of the parties thereto may be modified or amended at any time by a supplemental agreement that shall become effective when the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 10.03 hereof, and the Insurer for so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy shall have been filed with the Trustee. No such modification or amendment shall:

(i) extend or have the effect of extending the fixed maturity of any Certificate or the time of payment of interest evidenced thereby, or reduce or have the effect of reducing the interest rate with respect to any Certificate, the amount of principal evidenced thereby or the amount of 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 Agreement, or

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

Any such supplemental agreement shall become effective as provided in Section 10.02 hereof.

(b) Without Owners’ Consent. This Trust Agreement and the rights and obligations of the Owners, the Lease Agreement and the rights and obligations of the parties thereto, the Site Lease and the
rights and obligations of the parties thereto and the Assignment Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement with the prior consent of the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy) and without the consent of any Owners, but only to the extent permitted by law and only:

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

(ii) in regard to matters arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which (based upon opinions as provided in this Section 10.01), shall not adversely affect the interest of the Owners; or

(iii) to remove, add or substitute Property as provided by Section 8.3 of the Lease Agreement.

Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto or thereto as the case may be.

In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Trust Agreement would adversely affect the security for the Certificates or the rights of the Owners of the Certificates, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Insurance Policy.

Prior to executing such supplemental agreements, the Trustee shall be entitled to receive and rely on an opinion of counsel to the effect that the execution of such supplemental agreement is authorized or permitted hereunder.

Section 10.02. Procedure for Amendment with Written Consent of the Owners. This Trust Agreement, the Lease Agreement, the Site Lease or the Assignment Agreement may be amended by supplemental agreement as provided in this Section in the event that the consent of the Owners is required pursuant to Section 10.01(a) hereof. A copy of such supplemental agreement, together with a request to the Owners for their consent thereto, shall be mailed by the Trustee by first-class mail, postage prepaid, to each Owner of a Certificate at his or her address as set forth in the Certificate Register, 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 provided in this Section.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy and 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 hereinbefore provided in this Section. Each such consent shall be effective only if accompanied by proof of ownership of the Certificates for which such consent is given, which proof shall be such as is permitted by Section 2.11 hereof. Any such consent shall be binding upon the Insurer and the Owner of the Certificate giving such consent and on any subsequent Owner thereof (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy and the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice provided for in the next paragraph has been mailed.
After the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy and the Owners of the required percentage of Certificates shall have filed their consents to such supplemental agreement, the Trustee shall mail a notice to the Owners of the Certificates in the manner hereinbefore provided in this Section for the mailing of such supplemental agreement, 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.

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; except that in determining whether the Trustee shall be protected in relying upon any such vote, consent, waiver or other action of an Owner, only Certificates which the Trustee actually knows to be 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 be disregarded unless all Certificates are so owned, in which case such Certificates shall be considered outstanding for the purpose of such determination.

The District or 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.

Section 10.04. Effect of Supplemental Agreement. From and after the time that any supplemental agreement becomes effective pursuant to this Article X, this Trust Agreement, the Site Lease or the Lease Agreement, 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 of 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 of the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement, the Lease Agreement or the Site 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 Trustee, as to such action. In that case, upon demand of the Owner of any Outstanding Certificate at such effective date and presentation of his or her Certificate for the purpose at the Principal Office, a suitable notation shall be made on such Certificate at the cost of the District. The Trustee may determine that replacement Certificates, so modified as in the opinion of the Trustee is necessary to conform to such Owners’ action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Certificate then Outstanding, such replacement Certificate shall be exchanged at 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 the provisions of Section 10.01 hereof, the provisions of this Article X shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by him or her, provided that due notification thereof is made on such Certificates.
ARTICLE XI

COVENANTS; NOTICES

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

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 Agreement by the Corporation. 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 the leasehold interests therein, 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. 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 11.03. Prosecution and Defense of Suits. The District shall promptly 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, to the extent permitted by law, and save the Trustee and every Owner harmless from all loss, cost, damage and expense, including attorneys’ fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

Section 11.04. Further Assurances. The Corporation and the District will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement, and for the better assuring and confirming unto the Owners the rights and benefits provided herein.

Section 11.05. Notice of Trustee. The Trustee shall provide the District and the Corporation with written notice within five days after a responsible officer of the Trustee acquires actual knowledge of an Event of Default, as defined in Section 9.1 of the Lease Agreement.

Section 11.06. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out 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 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. For purposes of this Section, “Beneficial Owner” means 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, depositaries or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.
ARTICLE XII

LIMITATION OF LIABILITY

Section 12.01. Limited Liability of the District and Corporation. Except for the payment of Lease Payments, Additional Payments and Prepayments when due in accordance with the Lease Agreement and the performance of the other covenants and agreements of the District contained herein and in the Lease Agreement, the District shall have no obligation or liability to the Owners or to any of the other parties hereto 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. The Corporation shall not have any obligation or liability to the Owners or to any of the other parties hereto with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the payment when due of the Lease Payments or the Additional Payments by the District or the distribution of the Lease Payments to the Owners by the Trustee, or the performance by the District of the other agreements and covenants required to be performed by the District contained in the Lease Agreement and this Trust Agreement.

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 of the 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 expressly assigned to or imposed upon it. The Trustee shall not be responsible for the sufficiency of the Lease 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 Agreement (except as provided in this Trust Agreement), its right to receive moneys pursuant to said Lease, or the value of 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 the 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 Agreement, but shall be responsible solely for the performance of the duties and obligations expressly imposed upon it hereunder as provided in Section 9.05 hereof.

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

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

Section 13.01. Events of Default. The following events shall be Events of Default:

(a) default in the due and punctual payment of the principal of or premium, if any, with respect to any Certificate when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for prepayment, by declaration or otherwise;

(b) default in the due and punctual payment of any installment of interest with respect to any Certificate when and as such interest installment shall become due and payable;

(c) default by the District in the observance of any of the covenants, agreements or conditions on its part in this Trust Agreement contained, if such default shall have continued for a period of 30 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the District and the Corporation by the Trustee, or to the District, the Corporation and the Trustee by the Owners of not less than twenty-five percent in aggregate principal amount of the Certificates at the time Outstanding; provided, however, that with the consent of the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy, if such default can be remedied but not within such 30-day period and if the District has taken all action reasonably possible to remedy such default within such 30-day period, such default shall not become an Event of Default for so long as the District shall diligently proceed to remedy the same in accordance with and subject to any directions or limitations of time reasonably established by the Trustee; or

(d) an event of default shall have occurred and be continuing under the Lease Agreement.

Section 13.02. Remedies.

(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, after being indemnified to its satisfaction and subject to the provisions of this Trust Agreement, upon direction by the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy, exercise any and all remedies available pursuant to law or granted pursuant to the Lease Agreement; provided, however, that notwithstanding anything herein or in the Lease Agreement 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.

(b) Actual Knowledge. The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer of the Trustee having direct responsibility for the administration of this Trust Agreement shall have actual knowledge thereof or shall have received written notice thereof at its Principal Office.

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 Agreement, shall be deposited into the Lease Payment Fund on a pro rata basis and shall be applied by the Trustee in the following order upon presentation and surrender of the several Certificates.

First, Costs and Expenses: to the payment of the costs and expenses of the Trustee and then of the Owners, including reasonable compensation to its or their agents, attorneys and counsel.
incurred in connection with the particular Event of Default and any sums owed to the Trustee pursuant to Sections 9.06 or 9.07 hereof;

**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 of any Certificates that 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.

**Fourth, Insurer:** to the extent not included in First, Second or Third above, to the payment of all costs and other amounts owing to the Insurer.

Section 13.04. **Institution of Legal Proceedings.** If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners 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 Agreement, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder.

Section 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 (in certain circumstances) the Lease Payments as provided in the Lease Agreement (or prepay Lease Payments in certain circumstances as provided in the Lease Agreement). No delay or omission of the Insurer, the Trustee or of any Owner to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XIII to the Insurer, the Trustee or to the Owners may be exercised from time to time and as often as shall be deemed expedient by the Insurer, the Trustee or the Owners, as applicable.

Section 13.06. **Remedies Not Exclusive.** No remedy herein conferred upon or reserved to Insurer, 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 Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy and the Owners of at least a majority in principal amount of the Outstanding Certificates (along with continued indemnities to the Trustee’s satisfaction) 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 Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy and the Trustee written notice of the occurrence of an Event of Default under the Lease Agreement; (b) the Owners of a majority in aggregate principal amount of all of 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; (c) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission 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 their action to enforce any right under this Trust 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 the District or Corporation 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.

Section 13.10. 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 Agreement.

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:** by paying or causing to be paid the principal of and interest and prepayment premiums (if any) evidenced by such Certificates to be defeased, as and when the same become due and payable;

(ii) **Cash:** if prior to maturity and having given notice of prepayment by irrevocably depositing with the Trustee, in trust, at or before maturity, an amount of cash which (together with cash then on deposit in the Lease Payment Fund) is sufficient to pay such Certificates, including all principal and interest and premium, if any; or

(iii) **Eligible Securities:** by irrevocably depositing with the Trustee, in trust in an escrow fund, noncallable Eligible Securities, together with cash and moneys then on deposit in the Lease Payment Fund, in such amount as will, together with interest to accrue thereon, as set forth in the opinion of an independent certified public accountant delivered to the Trustee, 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.

so long as all amounts due or to become due to the Insurer have been paid in full or duly provided for then, notwithstanding that any such 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 rights of the Trustee under Section 9.06 and 9.07 hereof and the obligation of the Trustee to pay or cause to be paid, from Lease Payments paid by or on behalf of the District from funds deposited pursuant to paragraphs (ii) and (iii) of this Subsection (a), to the Owners of such 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 Subsection (a), such Certificates shall continue to represent direct and proportionate interests of the Owners thereof in the Lease Payments under the Lease Agreement.

(b) **Surplus Monies.** The Trustee shall notify the District of any funds held by the Trustee at the time of payment or provision for payment of all Outstanding Certificates pursuant to one of the procedures described in paragraphs (i) through (iii) of Section 14.01(a), which are not required for payment to be made to Owners shall, after the payment of all fees and expenses of the Trustee, including pursuant to Sections 9.06 and 9.07 hereof, be timely paid over to the District.

(c) **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, evidenced by the Certificates and for the registration, transfer and exchange of the Certificates.

Section 14.02. **Non-Presentment of Certificates.** In the event that any Certificate shall not be presented for payment when the principal with respect thereof 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 Lease Payment Fund, 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 part under this Trust Agreement or on, or with respect to, said Certificate.

Any moneys (including semi-annual interest due evidenced by the Certificates) so deposited with and held by the Trustee not so applied to the payment of 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 (without liability for interest), free from the trusts created by this Trust Agreement. Thereafter, Owners shall be entitled to look only to the District for payment, and then only to the extent of the amount so disbursed 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. Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement, which shall be available upon prior written notice for inspection by the District, the Corporation and any Owner, or the agent of any of them, at any time during regular business hours.

Section 14.04. Notices. Except for notice of prepayment required to be given as provided in Section 4.04, all written notices to be given under this Trust Agreement shall be given by mail or personal delivery (including facsimile transmission followed by telephone confirmation) 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 to the Trustee shall be effective upon receipt. Notice to the other parties shall be deemed to have been received upon delivery via facsimile transmission (followed by telephonic confirmation) or the earlier of actual receipt or five business days after deposit in the United States mail, in registered or otherwise secure mail, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to the District: Los Angeles Unified School District
333 S. Beaudry Avenue, 26th Floor
Los Angeles, California 90017-5141
Phone: (213) 281-7888
Facsimile: (213) 281-6813
Attention: Chief Financial Officer

If to the Corporation: LAUSD Financing Corporation
c/o Los Angeles Unified School District
333 S. Beaudry Avenue, 26th Floor
Los Angeles, California 90017-5141
Phone: (213) 281-7888
Facsimile: (213) 281-6813
Attention: Secretary

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.
700 South Flower Street, Suite 500
Los Angeles, California 90017-4104
Phone: (213) 630-6270
Facsimile: (213) 630-6480
Attention: Corporate Trust Services

If to Moody’s: Moody’s Investors Service
250 Greenwich Street, 7 World Trade Center
New York, New York 10007
Attention: Public Finance Department
Phone: (212) 553-0300
Telecopy: (212) 553-0882

If to the Insurer:
Section 14.05. **Parties Interested Herein.** Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the District, the Corporation, the Trustee, the Insurer, and the Owners, 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 so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy (provided, the Insurer shall always retain its right to the extent it has become subrogated to holders of any Insured Series 2020 Certificates) and the Owners.

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 hereto and their respective successors and assigns. Whenever in this Trust Agreement 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. **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 14.09. **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 14.10. **Severability 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 14.11. **Unclaimed Moneys.** Notwithstanding any provisions of this Trust Agreement, any moneys held by the Trustee in trust for the payment of the principal or prepayment price, or interest evidenced by any Certificates appertaining thereto and remaining unclaimed for two years after the date such principal or prepayment price or interest evidenced by any of the Certificates become due and payable (whether at maturity or upon call for prepayment as provided in this Trust Agreement), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when the principal or prepayment price, or interest evidenced by any of the Certificates became due and payable, shall be repaid to the District, free from the trusts created by this Trust Agreement, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the
repayment of such moneys to the District as aforesaid, the Trustee shall (at the cost of the District) first mail to the Owners of any Certificate which has not been paid at the addresses shown on the registration books maintained by the Trustee a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Certificates so payable and not presented and with respect to the provisions relating to the prepayment to the District of the moneys held for the payment thereof.

Section 14.12. **Insurer a Third Party Beneficiary.** The Insurer is a third party beneficiary of this Trust Agreement.

Section 14.13. **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.

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

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: ______________________________
   Authorized Signatory

LAUSD FINANCIAL CORPORATION

By: ______________________________
   Timothy S. Rosnick
   Secretary

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: ______________________________
   David D. Hart
   Chief Financial Officer
EXHIBIT A

FORM OF CERTIFICATE OF PARTICIPATION

Unless this Certificate is presented by an authorized representative of The Depository Trust Company to the Trustee or any Certificate executed and delivered is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY OTHER PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

REFUNDING CERTIFICATE OF PARTICIPATION, 2020 SERIES A

Evidencing the Proportionate Interest of the Owner Hereof In Lease Payments to be Made by the

Los Angeles Unified School District
(Los Angeles County, California)

INTEREST RATE  MATURITY DATE  DATED DATE  CUSIP

_____ %  October 1, 20__  __________  1, 20__  __________

REGISTERED OWNER:  CEDE & CO.

PRINCIPAL AMOUNT:  $_______

THIS IS TO CERTIFY THAT the Owner named above, or registered assign, as the Owner of this Refunding Certificate of Participation, 2020 Series A (this “Certificate”) is the owner of a proportionate and undivided interest in the right to receive certain Lease Payments and Prepayments thereof under and as defined in that certain Lease Agreement, dated as of [Dated Date] (the “Lease Agreement”), by and between the LAUSD Financing Corporation (the “Corporation”), a public benefit corporation duly organized and existing under the laws of the State of California, and the Los Angeles Unified School District (the “District”), a school district organized and existing under and by virtue of the Constitution and the laws of the State of California, which Lease Payments and Prepayments and certain other rights and interests under the Lease Agreement have been assigned to The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), having a corporate trust office in Los Angeles, California (said office being herein referred to as the “Principal Office”).

The Owner of this Certificate is entitled to receive, subject to the terms of the Lease Agreement, on the Maturity Date specified above, the Principal Amount specified above, plus an amount representing a portion of the Lease Payments designated as interest at the Interest Rate set forth above payable semiannually on April 1 and October 1 in each year, commencing on October 1, 2021 (each, an “Interest Payment Date”), until payment of such Principal Amount in full; provided that the interest with respect hereto shall be payable from the Interest Payment Date next preceding the date of execution of this Certificate unless (i) this Certificate is executed as of an Interest Payment Date, in which event interest shall be payable from the date thereof or (ii) this Certificate is executed after the close of business on the fifteenth day of the month preceding an Interest Payment Date (the “Record Date”), and before the following Interest Payment Date, in which event interest shall be payable from such following Interest Payment Date.
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 Owner upon presentation and surrender of this Certificate at the Principal Office. In the event that this Certificate is prepaid in part only, payment of such partial prepayment of principal represented by this Certificate will be by check mailed by first class mail upon presentation and surrender of this Certificate at the Principal Office. Payment of interest with respect to any Certificate on any Interest Payment Date or prepayment date shall be by check mailed on such Interest Payment Date by first class mail by the Trustee to the Owner hereof as of the Record Date preceding the Interest Payment Date at such Owner’s address as it appears on the registration books of the Trustee. At the option of any Owner of at least $1,000,000 aggregate principal amount of 1 Certificates, interest with respect to Certificates may be payable by wire transfer to an account in the United States of America designated in writing to the Trustee no later than the applicable Record Date.

This Certificate has been executed and delivered by the Trustee pursuant to the terms of that certain Trust Agreement, dated as of [Dated Date] (the “Trust Agreement”), by and among the District, the Corporation and the Trustee. The Corporation will execute and deliver its Refunding Certificate of Participation, 2020 Series A (the “Certificates”) in the aggregate principal amount of [$PA].

The District is authorized to enter into the Lease Agreement and the Trust Agreement under the Constitution and the laws of the State of California. Reference is hereby made to the Lease Agreement 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 Owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the District under the Lease Agreement, to all of the provisions of which Lease and Trust Agreement the Owner of this Certificate, by acceptance hereof, assents and agrees. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Trust Agreement.

The District is obligated to make Lease Payments from any source of legally available funds, and the District has covenanted in the Lease Agreement to make the necessary annual appropriations therefor. The obligation of the District to make 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 make the Lease Payments does not constitute an indebtedness of the District, the Corporation, the State of California or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction. Lease Payments with respect to the Certificates will be abated during any period in which, by reason of damage, destruction, any defect in title or other event (other than by eminent domain which is hereinbefore provided for), there is substantial interference with the use and occupancy by the District of the Property or any portion thereof (other than any portions of the Property described in the provisions of the Lease Agreement relating to the District’s right to, at its own expense, remove portions of the Property or to make additions or modifications to the Property). Failure of the District to make Lease Payments during any such period shall not constitute a default under the Lease Agreement, the Trust Agreement or any Certificate.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement, Lease Agreement, Site Lease and Assignment Agreement may be amended by the parties thereto with the written consent of the 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. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Certificate or the time of payment of interest evidenced thereby, or reduce or have the effect of reducing the interest rate with respect to any Certificate, the amount of principal evidenced...
thereby or the amount of any premium payable upon the prepayment thereof, without the express consent of the 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 Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto.

This Certificate is transferable by the Owner hereof, in person or by such Owner’s 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. The Trustee shall not be required to register the transfer or exchange of any Certificate (i) between the date which is 15 days immediately preceding the selection of Certificates for prepayment and the date of mailing notice of prepayment and (ii) selected for prepayment. 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 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 Certificates are subject to prepayment as set forth in the Trust Agreement.

The Trustee has no obligation or liability to the Owners to make payments of principal of, premium, if any, or interest evidenced by the Certificates except from Lease Payments paid to the Trustee and from the various funds and accounts established under the Trust Agreement.

The District has certified that all acts, conditions and things required by the Constitution and 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.

IN WITNESS WHEREOF, this Certificate has been executed and delivered by The Bank of New York Mellon Trust Company, N.A., as Trustee, acting pursuant to the Trust Agreement.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

__________________________________________
Authorized Officer

Date of Execution: _______________
ASSIGNMENT

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

(Please print or typewrite name, address and social security or other identifying number of Transferee)

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

____________________________________________________________________________
____________________________________________________________________________

____________________________________________________________________________
____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

to transfer the within Certificate on the Certificate Register, with full power of substitution in the premises.

Dated: ____________

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

Note: The signature on 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 whatsoever.
STATEMENT OF INSURANCE

________ (“________”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Certificate to The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, or its successor, as trustee for the Certificates (the “Trustee”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from ___ or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of ___ as more fully set forth in the Policy.
EXHIBIT B
FORM OF REQUISITION FROM DELIVERY COSTS FUND

The Bank of New York Mellon Trust Company, N.A.
700 South Flower Street, Suite 500
Los Angeles, California 90017-4104

RE: Disbursement from the Delivery Costs Fund pursuant to Section 2.07(c) of the Trust Agreement, dated as of [Dated Date], by and among The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), LAUSD Financing Corporation (the “Corporation”) and the Los Angeles Unified School District (the “District”)

REQUISITION NO. _________

You are hereby instructed to pay to: each person or entity identified on the attached Exhibit A at the places indicated therein an amount equal to the amount shown on Exhibit A for costs incurred and/or services provided.

Each cost or service has been properly incurred, is a proper charge against the Delivery Costs Fund and has not been the subject of any previous requisition.

Very truly yours,

LOS ANGELES UNIFIED SCHOOL DISTRICT

By:____________________________________
   District Representative
EXHIBIT A

Requisition No. ____

<table>
<thead>
<tr>
<th>Payee</th>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

B-2
This document is recorded for the benefit of the Los Angeles Unified School District, and recording is fee exempt under §27383 of the Government Code.

SITE LEASE

dated as of [Dated Date]

by and between the

LOS ANGELES UNIFIED SCHOOL DISTRICT

and the

LAUSD FINANCING CORPORATION

[$PA]
Refunding Certificates of Participation, 2020 Series A
SITE LEASE

This Site Lease is dated as of [Dated Date], by and between the LOS ANGELES UNIFIED SCHOOL DISTRICT (the “District”), a school district organized and existing under the laws of the State of California, as lessor hereunder, and the LAUSD FINANCING CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Corporation”), as lessee hereunder.

W I T N E S S E T H:

WHEREAS, the District previously caused the execution and delivery of the $21,615,000 Certificates of Participation, 2010 Series B-1 (Federally Taxable Direct Pay Build America Bonds) (Capital Projects I) and the $61,730,000 Certificates of Participation 2010 Series B-2 (Tax-Exempt) (Capital Projects I) (collectively, the “Prior Certificates”); and

WHEREAS, the District previously entered into the 2013 Lease Agreement, dated as of June 1, 2013, by and between the District and the Corporation (the “2013 Lease”); and

WHEREAS, the District desires to refund the Prior Certificates and prepay the balance of the remaining Base Rental Payments (as defined in the 2013 Lease) due by the District under the 2013 Lease through the sale of the Refunding Certificates of Participation, 2020 Series A (the “Certificates”) which will be executed and delivered pursuant to a Trust Agreement, dated as of the date hereof (the “Trust Agreement”), by and among the District, the Corporation and the The Bank of New York Mellon Trust Company, N.A., as trustee thereunder; and

WHEREAS, to facilitate such financing, the District proposes to enter into this Site Lease with the Corporation, pursuant to which the District will lease certain real property and the improvements located thereon described in Exhibit A hereto (the “Property”) to the Corporation, as lessee hereunder; and

WHEREAS, concurrently with the execution of this Site Lease, the District will lease back the Property pursuant to the terms of a Lease Agreement, dated as of the date hereof (the “Lease Agreement”), between the Corporation and the District; and

WHEREAS, the Corporation will assign without recourse certain of its rights under this Site Lease and the Lease Agreement, including all of its rights to receive the Lease Payments (as defined in the Trust Agreement) scheduled to be paid by the District pursuant to the Lease Agreement, to the Trustee for the benefit of the Owners of the Certificates pursuant to an Assignment Agreement, dated as of the date hereof (the “Assignment Agreement”), by and between the Corporation and the Trustee; and

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, it is hereby mutually agreed as follows:

SECTION 1. Definitions. Unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings specified in the Trust Agreement.
SECTION 2. **Demised Premises.** The District hereby leases to the Corporation and the Corporation hereby leases from the District for the benefit of the Owners of the Certificates, the Property (and appurtenant easements for ingress and egress, for the furnishing of maintenance and support, and for parking), subject to the terms hereof and subject to any conditions, reservations, exceptions and rights of way which are of record.

SECTION 3. **Ownership.** The District is the owner of and holds title in fee simple to the Property. The District is conveying an estate for a term of years in the Property to the Corporation pursuant to this Site Lease. In the event of a title or other defect that impairs the right to use and possession of all or a portion of the Property, the District covenants that it will inform the Trustee of such defect and (i) will either exercise its condemnation powers to the extent permitted by law to obtain the necessary rights in all or a portion of the Property to cure such defect and limitation of the right to use and possession or institute a quiet title action to clarify the District’s title and will diligently pursue such action to completion or (ii) at the option of the District, use its best efforts to add or substitute property in accordance with Section 8.3 of the Lease Agreement for the portion of the Property of which the right to use and possession is affected.

SECTION 4. **Term.** The term of this Site Lease shall commence as of the date hereof and shall remain in effect until the termination of the Lease Agreement as provided therein, provided, however, that if any Lease Payments due under the Lease Agreement remain unpaid at such termination of the Lease Agreement, then this Site Lease shall not terminate until the earlier of (i) ten (10) years after the final scheduled maturity date of the Certificates, (ii) the date on which the Certificates have been paid in full, or (iii) the date on which all amounts due to the Insurer (as defined in the Trust Agreement) have been paid in full; provided, however, that in no event shall the Term of this Site Agreement extend beyond December 1, 2045.

The leasing by the Corporation to the District of the Property pursuant to the Lease Agreement shall not effect or result in a merger of the District’s fee estate and its leasehold estate under the Lease Agreement. The Corporation shall continue to have and hold a leasehold estate in the Property pursuant to this Site Lease throughout the term hereof.

SECTION 5. **Rental.** The Corporation, and any assignee or successor in interest of the Corporation under this Site Lease, shall pay to the District as and for rental hereunder, the sum of $1.00 for the rental period commencing on the date hereof and continuing to and including the date of termination of this Site Lease.

SECTION 6. **Assignment.** The District acknowledges and affirms the assignment by the Corporation of its rights under this Site Lease to the Trustee under the terms of the Assignment Agreement. The District hereby consents to such assignment. Upon the execution and delivery of the Assignment Agreement, references in the operative provisions hereof to the Corporation shall be deemed to be references to the Trustee, as assignee of the Corporation.

SECTION 7. **Restrictions on District.** The District agrees that, except with respect to Permitted Encumbrances, it will not mortgage, sell, encumber, assign, transfer or convey the Property or any portion thereof during the term of this Site Lease.
SECTION 8. **Termination.** Upon the termination of this Site Lease, the Corporation agrees to quit and surrender the Property without warranty as to condition, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Property at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the District.

SECTION 9. **Quiet Enjoyment.** At all times during the term of this Site Lease, the Corporation shall peaceably and quietly have, hold and enjoy all of the Property.

SECTION 10. **Default.** In the event that the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for thirty (30) days following written notice to and demand for correction thereof, the District, with the consent of the Trustee and the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy, may exercise any and all remedies granted by law which do not adversely affect the interests of the Owners of the Certificates; provided that the District may not terminate this Site Lease and shall exercise only remedies providing for specific performance hereunder; and provided further, that so long as any of the Certificates are Outstanding and unpaid in accordance with the terms thereof or any amount is due to the Insurer, the Lease Payments assigned by the Corporation to the Trustee under the Assignment Agreement shall continue to be paid to the Trustee.

SECTION 11. **Taxes.** The District shall covenant and agree to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Property pursuant to the Lease Agreement.

SECTION 12. **Eminent Domain.** In the event that the whole or any part of the Property is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of unpaid Lease Payments and Additional Payments due the Corporation under the Lease Agreement.

SECTION 13. **Severability.** If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a final finding, decree or order of a court of competent jurisdiction, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 14. **Compliance with Law and Regulations.** The District has, after due inquiry, no knowledge and has not given or received any written notice indicating that the Property or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire, safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Property.
SECTION 15. Amendments. Any amendment to this Site Lease may be entered into only in accordance with the provisions set forth in Article X of the Trust Agreement. This Site Lease may be amended to provide for the addition of additional real property or the substitution of real property for all or a portion of the Property or to provide for the removal of real property from the Property, provided that the Lease Agreement is correspondingly amended pursuant to Section 8.3 thereto.

SECTION 16. Applicable Law. This Site Lease shall be governed by and construed in accordance with the laws of the State of California.

SECTION 17. Representatives. Whenever under the provisions of this Site Lease the approval of the District is required, or the District is required to take any action at the request of the Corporation, such approval or such request shall be given for the District by the District Representative, and any party hereto shall be authorized to rely upon any such approval or request.

SECTION 18. Notices. All notices or other communications hereunder shall be given in the same manner as provided under the Lease Agreement.

SECTION 19. Captions. The captions or headings in this Site Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision or Section of this Site Lease.

SECTION 20. Covenants and Warranties of the District. The District covenants and warrants to the Corporation that:

(1) the District has good and marketable title to the Property and will cause this Site Lease to be recorded in the Recorder’s Office for the County of Los Angeles;

(2) except for Permitted Encumbrances, the Property is not currently subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the financing as contemplated by the Lease Agreement;

(3) all taxes, assessments, or impositions of any kind with respect to the Property, except current taxes, have been paid in full;

(4) the Property is properly zoned for its intended purposes;

(5) the Property is integral for performing the District’s governmental functions; and

(6) the District will not abandon or vacate the Property.

SECTION 21. Warranties of the Corporation. The Corporation covenants and warrants to the District that the Corporation has the corporate power and authority to enter into, execute and deliver this Site Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution and delivery hereof.
SECTION 22. Further Assurances and Corrective Instruments. The District and the Corporation agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Site Lease, the Trust Agreement and the Lease Agreement.

SECTION 23. Indemnification and Hold Harmless Agreement. To the extent permitted by law, the District hereby agrees to defend, indemnify, protect, save, and keep harmless the Corporation and its officers, directors, employees, representatives, agents and affiliates and each of their respective successors and assigns from and against, any and all liabilities, obligations, losses, damages (including, without limitation, any and all consequential damages), taxes, impositions, penalties, fines, claims, actions, suits, costs, expenses, and disbursements (including, without limitation, any and all legal fees and expenses) of whatsoever kind and nature imposed on, asserted against, incurred by, or suffered by the Corporation or its directors, officers, employees, representatives, agents or affiliates or their respective successors and assigns in any way relating to or arising out of this Site Lease or the Lease Agreement.

SECTION 24. Third Party Beneficiary. The Trustee and the Insurer are each hereby designated a third party beneficiary hereunder for the purpose of enforcing any of the rights hereunder assigned to the Trustee under the Assignment Agreement.

SECTION 25. Execution in Counterparts. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, and which together shall constitute but one and the same instrument.

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: __________________________
    David D. Hart
    Chief Financial Officer

LAUSD FINANCING CORPORATION

By: __________________________
    Joy Mayor
    Secretary
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

<table>
<thead>
<tr>
<th>STATE OF CALIFORNIA</th>
<th>) ) ss.</th>
</tr>
</thead>
<tbody>
<tr>
<td>COUNTY OF LOS ANGELES</td>
<td>)</td>
</tr>
</tbody>
</table>

On [Date], before me, [Name and Title of Officer (e.g. “Jane Doe, Notary Public”)]

personally appeared [Name of Signer(s)]

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

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

WITNESS my hand and official seal.

Place Notary Seal Above ________________________________ Signature of Notary Public
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA  )

COUNTY OF LOS ANGELES  )

On __________, before me, ____________________________

Name and Title of Officer (e.g. “Jane Doe, Notary Public”)

Date____________

personally appeared ____________________________________________________________

Name of Signer(s)

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

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

WITNESS my hand and official seal.

Place Notary Seal Above ____________________________ Signature of Notary Public
EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

All that real property and the improvements thereon situated in the City of Los Angeles and County of Los Angeles, State of California, described as follows:
ASSIGNMENT AGREEMENT

dated as of [Dated Date]

by and between the

LAUSD FINANCING CORPORATION

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

[$PA]
Refunding Certificates of Participation, 2020 Series A
ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT, executed and entered into as of [Dated Date], by the LAUSD FINANCING CORPORATION (the “Corporation”), a public benefit corporation duly organized and existing under and by virtue of the laws of the State of California and accepted by THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States, as trustee (the “Trustee”) under that certain Trust Agreement, dated as of the date hereof (the “Trust Agreement”), by and among the LOS ANGELES UNIFIED SCHOOL DISTRICT (the “District”), a school district organized and existing under and by virtue of the Constitution and laws of the State of California, the Corporation and the Trustee;

W I T N E S S E T H :

WHEREAS, the Corporation and the District have authorized the sale and delivery of the Refunding Certificates of Participation, 2020 Series A (the “Certificates”) in the aggregate principal amount of [$PA] evidencing undivided interests in lease payments to be made by the District under the herein referenced Lease Agreement to refinance certain items of equipment and capital improvements; and

WHEREAS, the Corporation and the District have executed and entered into a Site Lease, dated as of the date hereof and recorded concurrently herewith (the “Site Lease”), pursuant to which the District has leased to the Corporation certain real property and any improvements thereon (the “Property”), as provided therein; and

WHEREAS, the Corporation and the District have executed and entered into a Lease Agreement, dated as of the date hereof and recorded concurrently herewith (the “Lease Agreement”), pursuant to which the Corporation has leased the Property back to the District, as provided therein; and

WHEREAS, under and pursuant to the Lease Agreement, the District is obligated to make Lease Payments (as defined in the Trust Agreement) to the Corporation in consideration for the use and occupancy of the Property; and

WHEREAS, the Corporation desires to assign without recourse certain of its rights under the Site Lease and the Lease Agreement, including all of its rights to receive the Lease Payments scheduled to be paid by the District under and pursuant to the Lease Agreement, to the Trustee for the benefit of the owners of the Certificates; and

WHEREAS, in consideration of such assignment and the execution and entering into of the Trust Agreement, the Trustee has agreed to execute and deliver the Certificates; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Assignment Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law and the parties hereto are now duly authorized to execute and enter into this Assignment Agreement.
NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto do hereby agree as follows:

SECTION 1. Definitions. Unless the context otherwise requires, capitalized terms used herein shall have the meanings specified in the Trust Agreement.

SECTION 2. Assignment.

(a) Lease Agreement. The Corporation hereby assigns to the Trustee, provided, however that nothing contained in this Section shall abrogate the Corporation’s rights to be indemnified as provided in the Lease Agreement:

(1) all right, title and interest of the Corporation in the Lease Agreement, including without limitation:

   (A) the right to receive and collect all of the Lease Payments and Additional Payments from the District under the Lease Agreement;

   (B) the right to receive and collect any proceeds of any insurance maintained pursuant to the Lease Agreement or any condemnation award rendered with respect to the Property;

   (C) the right to take all actions and give all consents under the Lease Agreement, including without limitation, Section 5.11 (regarding liens), Section 8.2 (regarding subleases), Section 8.3 (regarding amendments and modifications and substitution and additions of property and facility and release of property) and Section 9.2 (regarding remedies on default);

   (D) the right to exercise such rights and remedies conferred on the Corporation pursuant to the Lease Agreement as may be necessary or convenient (i) to enforce payment of the Lease Payments and Additional Payments, and any other amounts required to be deposited in the Lease Payment Fund or any other funds established under the Trust Agreement, or (ii) otherwise to protect the interests of the Corporation in the event of default by the District under the Lease Agreement;

(2) all right, title, and interest of the Corporation in the Site Lease; and

(3) all right, title, and interest of the Corporation in the funds and accounts (and the money and other property held therein) established pursuant to the Trust Agreement or the Lease Agreement.

(b) Assignment for Owners of the Certificates. All rights assigned by the Corporation shall be administered by the Trustee as assignee thereof according to the provisions of the Trust Agreement and for the equal and proportionate benefits of the Owners of the Certificates.
(c) **Further Assurances.** The Corporation shall 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 Assignment Agreement, and for the better assuring and confirming to the Trustee, for the benefit of the Owners of the Certificates, the right, title and interest intended to be sold, assigned and transferred pursuant hereto.

**SECTION 3. Acceptance.** The Trustee hereby accepts the foregoing assignment for the benefit of the Owners of the Certificates, subject to the conditions and terms of the Trust Agreement, and all such Lease Payments and Additional Payments shall be applied and all such rights so assigned shall be exercised by the Trustee under and pursuant to the Trust Agreement.

**SECTION 4. Conditions.** This Assignment Agreement shall confer no rights and shall impose no obligations upon the Trustee beyond those expressly provided in the Trust Agreement. The Trustee does not warrant the accuracy of the recitals hereto.

**SECTION 5. No Other Claims.** The Corporation hereby represents and warrants that there are no present and outstanding claims on Lease Payments or any other moneys assigned by the Corporation to the Trustee hereunder.

**SECTION 6. Amendments of Assignment Agreement.** Any amendment to this Assignment Agreement may be entered into only in accordance with the provisions set forth in Article X of the Trust Agreement.

**SECTION 7. Applicable Law.** This Assignment Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of California.

**SECTION 8. Severability.** If any agreement, condition, covenant or term hereof or any application hereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, all agreements, conditions, covenants and terms hereof and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

**SECTION 9. Execution in Counterparts.** This Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and which together shall constitute but one and the same instrument.
IN WITNESS WHEREOF, the parties hereto have executed and entered into this Assignment Agreement by their officers thereunto duly authorized as of the day and year first above written.

LAUSD FINANCING CORPORATION

By: ________________________________
    Joy Mayor
    Secretary

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: ________________________________
    Authorized Signatory
STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

On ____________________ before me, ___________________________________________.
          [insert date]      [Here insert name of notary]

personally appeared __________________________________________________________

proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to
the within instrument and acknowledged to me that he/she executed the same in his/her authorized
capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of
which person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature ___________________________
[Seal]
On ____________________ before me, ___________________________________________.

[insert date] [Here insert name of notary]

personally appeared __________________________________________________________

proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to
the within instrument and acknowledged to me that he/she executed the same in his/her authorized
capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of
which person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature ___________________________

[Seal]
EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

All that real property and the improvements thereon situated in the State of California, City of Los Angeles and County of Los Angeles, described as follows:
In the opinion of Hawkins Delafield & Wood LLP, Special Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest evidenced by the Certificates is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest evidenced by the Certificates is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Special Counsel to the District, under existing statutes, interest evidenced by the Certificates is exempt from personal income taxes imposed by the State of California. See “TAX MATTERS” herein.

THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE DISTRICT TO MAKE THE LEASE PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CORPORATION, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The District has agreed under the Lease Agreement to make all Lease Payments and Additional Payments (as defined herein) provided for therein, and has covenanted to include all such Lease Payments and Additional Payments in each of its budgets during the term of the Lease Agreement and to make the necessary appropriations for all such Lease Payments and Additional Payments due under this Lease Agreement in the fiscal year covered by such budget. The District’s obligation to make Lease Payments is subject to abatement during any period in which, by reason of damage, destruction, any defect in title or other event (other than by eminent domain), there is substantial interference with the use and occupancy of the Property 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 make the Lease Payments does not constitute an indebtedness of the District, the Corporation, the State of California or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

The scheduled payment of principal and interest evidenced by the Certificates when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the execution and delivery of the Certificates by [__________].

[Insert Insurer logo]

See “RISK FACTORS” for a discussion of factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Certificates.
The Certificates will be offered when, as and if executed, delivered and received by the Underwriter, subject to the approval of legality by Hawkins Delafield & Wood LLP, Special Counsel to the District. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District; for the Underwriter by Nixon Peabody LLP, San Francisco, California; for the District and Corporation by General Counsel to the District. It is anticipated that the Certificates in book-entry form will be available for delivery through the facilities of DTC on or about [__________], 2020.

UBS

**MATURITY SCHEDULE**

$__________ *

**REFUNDING CERTIFICATES OF PARTICIPATION, 2020 SERIES A**

Evidencing Proportionate and Undivided Interests of the Owners thereof in Lease Payments to be made by the

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

**BASE CUSIP**: __________

$__________ Serial Certificates

<table>
<thead>
<tr>
<th>Maturity Date (December 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Yield</th>
<th>CUSIP Number†</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$__________ % Term Certificates due December 1, 20__ Yield ___% CUSIP Number† __

$__________ % Term Certificates due December 1, 20__ Yield ___% CUSIP Number† __

---

*Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright © 2020 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Corporation, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.
## LOS ANGELES UNIFIED SCHOOL DISTRICT

### BOARD OF EDUCATION

<table>
<thead>
<tr>
<th>District</th>
<th>Member</th>
<th>Term Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Dr. Richard A. Vladovic, President</td>
<td>December 13, 2020</td>
</tr>
<tr>
<td>5</td>
<td>Jackie Goldberg, Vice President</td>
<td>December 13, 2020</td>
</tr>
<tr>
<td>1</td>
<td>Dr. George J. McKenna III</td>
<td>December 13, 2020</td>
</tr>
<tr>
<td>2</td>
<td>Mónica Garcia</td>
<td>December 11, 2022</td>
</tr>
<tr>
<td>3</td>
<td>Scott Schmerelson</td>
<td>December 13, 2020</td>
</tr>
<tr>
<td>4</td>
<td>Nick Melvoin</td>
<td>December 11, 2022</td>
</tr>
<tr>
<td>6</td>
<td>Kelly Gonez</td>
<td>December 11, 2022</td>
</tr>
</tbody>
</table>

### DISTRICT OFFICIALS

- Austin Beutner, Superintendent
- David Holmquist, General Counsel
- Megan K. Reilly, Deputy Superintendent, Business Services and Operations
- David D. Hart, Chief Financial Officer
- V. Luis Buendia, Deputy Chief Financial Officer
- Timothy S. Rosnick, Deputy Controller

### PROFESSIONAL SERVICES

- **Special Counsel**
  - Hawkins Delafield & Wood LLP
  - Los Angeles, California

- **Municipal Advisor**
  - Public Resources Advisory Group
  - Los Angeles, California

- **Disclosure Counsel**
  - Orrick, Herrington & Sutcliffe LLP
  - Los Angeles, California

- **Counsel to the District and the Corporation**
  - Office of the General Counsel
  - Los Angeles, California

- **Trustee**
  - The Bank of New York Mellon Trust Company, N.A.
  - Los Angeles, California

- **Verification Agent**
  - Robert Thomas CPA, LLC
  - Minneapolis, Minnesota
This Official Statement does not constitute an offering of any security other than the original execution and delivery of the Certificates. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The Certificates are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)2 thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Certificates in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the execution and delivery of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

[Insurance disclosure to come.]

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Certificates.

CUSIP® is a registered trademark of The American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of The American Bankers Association by S&P Capital IQ. CUSIP data herein is set forth for convenience of reference only. The District and the Underwriters assume no responsibility for the selection or uses of the CUSIP data or for the accuracy or correctness of such data. The CUSIP numbers for the Refunding Bonds are subject to being changed after the delivery of the Refunding Bonds as a result of various subsequent actions.

In connection with this offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market prices of the Certificates at levels above those that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Certificates to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside front cover page hereof and said public offering prices may be changed from time to time by the Underwriter.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>The District</td>
<td>1</td>
</tr>
<tr>
<td>The Corporation</td>
<td>2</td>
</tr>
<tr>
<td>Security and Sources of Payment for the Certificates</td>
<td>2</td>
</tr>
<tr>
<td>Certificate Insurance</td>
<td>3</td>
</tr>
<tr>
<td>Authorization; Purpose of the Certificates</td>
<td>3</td>
</tr>
<tr>
<td>Description of the Certificates</td>
<td>4</td>
</tr>
<tr>
<td>Offering and Delivery of the Certificates</td>
<td>5</td>
</tr>
<tr>
<td>Certificate Owners’ Risks</td>
<td>5</td>
</tr>
<tr>
<td>Continuing Disclosure</td>
<td>5</td>
</tr>
<tr>
<td>Forward-Looking Statements</td>
<td>5</td>
</tr>
<tr>
<td>Other Information</td>
<td>5</td>
</tr>
<tr>
<td>THE CERTIFICATES</td>
<td>6</td>
</tr>
<tr>
<td>General</td>
<td>6</td>
</tr>
<tr>
<td>Prepayment</td>
<td>7</td>
</tr>
<tr>
<td>Book-Entry Only System</td>
<td>10</td>
</tr>
<tr>
<td>SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES</td>
<td>10</td>
</tr>
<tr>
<td>Nature of the Certificates</td>
<td>10</td>
</tr>
<tr>
<td>Lease Payments</td>
<td>11</td>
</tr>
<tr>
<td>Lease Payments Schedule</td>
<td>12</td>
</tr>
<tr>
<td>Additional Payments</td>
<td>12</td>
</tr>
<tr>
<td>Covenant to Appropriate Funds</td>
<td>13</td>
</tr>
<tr>
<td>Abatement</td>
<td>13</td>
</tr>
<tr>
<td>No Reserve Fund</td>
<td>14</td>
</tr>
<tr>
<td>Insurance</td>
<td>14</td>
</tr>
<tr>
<td>Action on Default</td>
<td>15</td>
</tr>
<tr>
<td>No Additional Encumbrances</td>
<td>16</td>
</tr>
<tr>
<td>CERTIFICATE INSURANCE</td>
<td>16</td>
</tr>
<tr>
<td>THE PROPERTY</td>
<td>16</td>
</tr>
<tr>
<td>General</td>
<td>16</td>
</tr>
<tr>
<td>Substitution or Release</td>
<td>16</td>
</tr>
<tr>
<td>THE REFUNDING PLAN</td>
<td>17</td>
</tr>
<tr>
<td>ESTIMATED SOURCES AND USES OF FUNDS</td>
<td>18</td>
</tr>
<tr>
<td>RISK FACTORS</td>
<td>18</td>
</tr>
<tr>
<td>General Considerations and Other Obligations</td>
<td>19</td>
</tr>
<tr>
<td>Limited Recourse on Default</td>
<td>19</td>
</tr>
<tr>
<td>Default; Remedies Upon Default; No Right of Acceleration</td>
<td>20</td>
</tr>
<tr>
<td>Abatement</td>
<td>20</td>
</tr>
<tr>
<td>Natural Disasters</td>
<td>21</td>
</tr>
<tr>
<td>Drought</td>
<td>22</td>
</tr>
<tr>
<td>Climate Change and Sea Level Rise</td>
<td>22</td>
</tr>
<tr>
<td>Absence of Earthquake and Flood Insurance</td>
<td>23</td>
</tr>
<tr>
<td>Hazardous Substances</td>
<td>23</td>
</tr>
<tr>
<td>Substitution or Release of Property</td>
<td>23</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS

Bankruptcy .................................................................................................................................... 24
Limitations on Remedies .............................................................................................................. 26
Loss of Tax Exemption ................................................................................................................. 26
No Liability of Corporation to the Owners ................................................................................... 27
Economic Conditions in California; State Funding of Education ................................................. 27
Infectious Disease Outbreak ......................................................................................................... 27
Cybersecurity ................................................................................................................................ 28

THE DISTRICT ......................................................................................................................................... 28
THE CORPORATION ...................................................................................................................................... 28
ABSENCE OF MATERIAL LITIGATION ............................................................................................. 29
TAX MATTERS ........................................................................................................................................ 29
RATINGS ............................................................................................................................................... 32
ESCROW VERIFICATION ...................................................................................................................... 32
CERTAIN LEGAL MATTERS ............................................................................................................... 33
MUNICIPAL ADVISOR ........................................................................................................................... 33
UNDERWRITING .................................................................................................................................... 33
MISCELLANEOUS .................................................................................................................................. 33

APPENDIX A  DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION ......................................................... A-1
APPENDIX B  AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2019 ................................................................. B-1
APPENDIX C  SUMMARY OF PRINCIPAL LEGAL DOCUMENTS ...................................................... C-1
APPENDIX D  FORM OF SPECIAL COUNSEL OPINION ................................................................. D-1
APPENDIX E  FORM OF CONTINUING DISCLOSURE CERTIFICATE .......................................... E-1
APPENDIX F  THE LOS ANGELES COUNTY TREASURY POOL ....................................................... F-1
APPENDIX G  BOOK-ENTRY ONLY SYSTEM ....................................................................................... G-1
OFFICIAL STATEMENT

$[__________]*
REFUNDING CERTIFICATES OF PARTICIPATION, 2020 SERIES A
Evidencing Proportionate and Undivided Interests of the Owners
thereof in Lease Payments to be made by the
LOS ANGELES UNIFIED SCHOOL DISTRICT

INTRODUCTION

This Official Statement (which includes the cover page, inside cover page, and Appendices hereto) (this “Official Statement”), provides certain information concerning the sale and delivery of Los Angeles Unified School District Certificates of Participation, 2020 Series A, in the aggregate principal amount of $[__________]* (the “Certificates”). The Certificates evidence proportionate and undivided ownership interests in certain lease payments (the “Lease Payments”) to be made by the Los Angeles Unified School District (the “District”) for the use of certain real property and the improvements thereon (the “Property”), as more fully described under the caption “THE PROPERTY” herein. The Property will be leased by the District from the LAUSD Financing Corporation (the “Corporation”) pursuant to a Lease Agreement, dated as of [_________] 1, 2020 (the “Lease Agreement”), by and between the District and the Corporation.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page, and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Certificates to potential investors is made only by means of this Official Statement.

The District

The District, encompassing approximately 710 square miles, is located in the western section of the County of Los Angeles (the “County”) in the State of California (the “State”). The District’s boundaries include virtually all of the City of Los Angeles (the “City”), all of the Cities of Cudahy, Gardena, Huntington Park, Lomita, Maywood, San Fernando, Vernon and West Hollywood, and portions of the Cities of Bell, Bell Gardens, Beverly Hills, Calabasas, Carson, Commerce, Culver City, Hawthorne, Inglewood, Long Beach, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Santa Clarita, South Gate, and Torrance. In addition, the District provides services to several unincorporated areas of the County which include residential and industrial areas.

The District is the second largest public school district in the United States and is the largest public school district in the State. Based on the District’s original adopted budget for fiscal year 2020-21, the current budgeted K-12 enrollment in the District for fiscal year 2020-21 is approximately [_______] students, including those attending magnet, opportunity, and continuation schools and centers, locally-funded affiliated charter schools (“Affiliated Charter Schools”), and schools for the handicapped. Such enrollment does not include students attending fiscally independent charter schools (“Fiscally Independent Charter Schools”), which is approximately [_______] students. For more information regarding District enrollment and average daily attendance, see “APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance.” As of June 30,

* Preliminary; subject to change.
2019, the District operated 1,089 schools and centers, which consisted of 445 elementary schools, 81 middle/junior high schools, 94 senior high schools, 54 options schools, 203 magnet centers, 54 magnet schools, 24 multi-level schools, 14 special education schools, 2 community adult schools, 6 regional occupational centers, 3 skills centers, 86 early education centers, 4 infant centers, and 19 primary school centers. As of June 30, 2019, 50 of the District’s schools were operated as Affiliated Charter Schools. In addition, as of June 30, 2019, the District oversaw 225 Fiscally Independent Charter Schools within the District’s boundaries. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Charter School Funding.”

Additional information on the District is set forth in Appendices A and B hereto. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION” and APPENDIX B – “AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2019.” For specific information on the impact of the Coronavirus Disease 2019 (“COVID-19”) pandemic on the District’s operations and finances, see “RISK FACTORS – Infectious Disease Outbreak” and APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Local Control Funding Formula – Infectious Disease Outbreak,” “DISTRICT FINANCIAL INFORMATION – Unaudited Actuals,” and “— DISTRICT FINANCIAL INFORMATION – District Budget – Fiscal Year 2020-21 Revised Budget.” For more information about the District’s future financings, including the expected issuance of general obligation bonds during the current fiscal year, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Future Financings.”

The Corporation

The Corporation was organized on July 18, 2000 as a California nonprofit benefit corporation. The Corporation was formed at the request of the District for the specific and primary purpose of providing capital financing assistance to the District by financing the acquisition, construction, remodeling, rehabilitation, equipping, improvement, financing and refinancing of various public facilities, land and equipment of the District and by leasing certain facilities, land and equipment for the use, benefit and enjoyment of the public served by the District, as well as any other purpose incidental thereto. See “THE CORPORATION” herein.

Security and Sources of Payment for the Certificates

The Certificates will be executed and delivered pursuant to a Trust Agreement, dated as of [_______] 1, 2020 (the “Trust Agreement”), by and among The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), the Corporation and the District, and evidence proportionate and undivided ownership interests in certain Lease Payments to be made by the District under the Lease Agreement for the use of the Property. See “THE PROPERTY.”

The District will enter into a Site Lease, dated as of [_______] 1, 2020 (the “Site Lease”) pursuant to which the District will lease the Property to the Corporation. The Corporation will then sublease the Property back to the District pursuant to the Lease Agreement. The Lease Agreement will obligate the District to make Lease Payments and Additional Payments (which include expenses and fees of the Trustee, all amounts due to the Insurer[,] and other amounts incurred by the District and the Corporation in complying with the provisions of the Trust Agreement as described herein). Lease Payments are scheduled to be sufficient to pay, when due, amounts designated as principal and interest evidenced by the Certificates. The District covenants under the Lease Agreement to take such action as may be necessary to include all
Lease Payments and Additional Payments due under the Lease Agreement in each of its budgets during the term of the Lease Agreement and to make the necessary appropriations for all such Lease Payments and Additional Payments due under the Lease Agreement in the fiscal year covered by such budget.

The Trustee and the Corporation will enter into an Assignment Agreement, dated as of [_________] 1, 2020 (the “Assignment Agreement”), pursuant to which the Corporation will assign to the Trustee for the benefit of the Certificate Owners all of the Corporation’s right, title and interest in and to the Lease Agreement, including its right to receive and collect all of the Lease Payments and Additional Payments from the District under the Lease Agreement, provided that the Corporation will retain the right to indemnification under the Lease Agreement.

The District’s obligation to make Lease Payments with respect to the Certificates will be abated during any period in which, by reason of damage, destruction, any defect in title or other event (other than by eminent domain as provided in the Lease Agreement), there is substantial interference with the use and occupancy by the District of the Property or any portion thereof (other than any portions of the Property described in the provisions of the Lease Agreement relating to the District’s right to, at its own expense, remove portions of the Property or to make additions or modifications to the Property). Failure of the District to make Lease Payments during any such period will not constitute a default under the Lease Agreement, the Trust Agreement or any Certificate. However, during periods of abatement, any moneys in the Lease Payment Fund and amounts, if any, received from rental interruption insurance are available to pay Lease Payments. There is no remedy of acceleration of Lease Payments over the term of the Lease Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Lease Payments,” “– Insurance,” and “– Abatement” and “RISK FACTORS – Abatement” herein.

THE OBLIGATION OF THE DISTRICT TO MAKE 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 MAKE THE LEASE PAYMENTS DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE CORPORATION, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

For more complete and detailed information, see “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES.” For a discussion of certain risks associated with the District’s ability to make Lease Payments for the Property, see “RISK FACTORS.”

[Certificate Insurance]

Concurrently with the execution and delivery of the Certificates, [___________] (“[___]” or “Insurer”) will issue its Municipal Bond Insurance Policy for the Certificates (the “Insurance Policy”). The Insurance Policy guarantees the scheduled payment of principal of and interest evidenced by the Certificates when due as set forth in the form of the Insurance Policy included as Appendix H to this Official Statement. See “CERTIFICATE INSURANCE” and APPENDIX [___] – “SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”]

Authorization; Purpose of the Certificates

Pursuant to and in accordance with resolutions of the Board of Education of the District and the Board of Directors of the Corporation adopted on September 15, 2020, the District and the Corporation have authorized the execution, sale and delivery of the Certificates, approved the execution of the Lease

4166-0639-4662.2
Agreement, the Site Lease, the Trust Agreement and this Official Statement and the Corporation has also approved the form of the Assignment Agreement.

The proceeds of the Certificates, together with other available funds, will be used (i) to prepay the District’s Certificates of Participation 2010 Series B-1 (Federally Taxable Direct Pay Build America Bonds) (Capital Projects I) (the “2010 B-1 Certificates”), (ii) to pay when due the District’s Certificates of Participation 2010 Series B-2 (Tax-Exempt) (Capital Projects I) (the “2010 B-2 Certificates”), (iii) to prepay the outstanding base rental payments due under the Lease Agreement, dated as of June 1, 2013 (the “2013 Lease” and together with the 2010 B-1 Certificates and 2010 B-2 Certificates, the “Prior Lease Obligations”), by and between the District and the Corporation, and (iv) to pay the costs incurred in connection with the execution and delivery of the Certificates. See “THE REFUNDING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS.”

Description of the Certificates

The Certificates will be executed and delivered in book-entry form only and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Certificates. Individual purchases of the Certificates will be made in book-entry form only. Purchasers of the Certificates will not receive certificates representing their ownership interests in the Certificates purchased. The Certificates will be delivered in denominations of $5,000 or any integral multiple thereof. Principal and interest payments evidenced by the Certificates are payable directly to DTC by the Trustee. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to DTC Participants for subsequent disbursement to the Beneficial Owners (as defined in the Trust Agreement) of the Certificates. See “THE CERTIFICATES – General” and “– Book-Entry Only System” and APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

Interest evidenced by the Certificates is payable semiannually on June 1 and December 1 of each year, commencing on [__________] 1, 20[__]. See “THE CERTIFICATES – General.”

The Certificates are subject to prepayment prior to maturity as described herein. See “THE CERTIFICATES – Prepayment.”

For a more complete description of the Certificates and the basic documentation pursuant to which they are being sold and delivered, see “THE CERTIFICATES,” “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES” and APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.” The summaries and descriptions in this Official Statement of the Trust Agreement, the Lease Agreement, the Site Lease, the Assignment Agreement, the Continuing Disclosure Certificate and other agreements relating to the Certificates are qualified in their entirety by the respective form thereof and the information with respect thereto included in such documents. All capitalized terms used in this Official Statement (unless otherwise defined herein) which are defined in the Trust Agreement shall have the same meanings assigned to such terms as set forth therein. See APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – DEFINITIONS.”
Offering and Delivery of the Certificates

The Certificates will be offered when, as and if executed, delivered and received by the Underwriter, subject to the approval of legality by Hawkins Delafield & Wood LLP, Special Counsel to the District, and the satisfaction of certain other conditions. It is anticipated that the Certificates will be available in book-entry form for delivery through the facilities of DTC on or about [___________], 2020 (the “Delivery Date”).

Certificate Owners’ Risks

Certain events could affect the ability of the District to make the Lease Payments when due. See “RISK FACTORS” for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the Certificates.

Continuing Disclosure

The District has covenanted for the benefit of the holders and Beneficial Owners of the Certificates to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access system or such other electronic system designated by the Municipal Securities Rulemaking Board (the “EMMA System”) certain annual financial information and operating data relating to the District (the “Annual Report”) by not later than 240 days following the end of the District’s fiscal year (currently ending June 30), commencing with the report for fiscal year 2019-20 and notice of the occurrence of certain enumerated events (“Notice Events”) in a timely manner not in excess of ten business days after the occurrence of such a Notice Event. The specific nature of the information to be contained in the Annual Report and the notices of Notice Events is set forth in APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” Copies of the District’s annual reports and notices of Listed Event filings are available at the website of Digital Assurance Certification, L.L.C. (“DAC”), www.dacbond.com, and at the website of the Emma System, emma.msrb.org. The information presented on these websites is not incorporated by reference in this Official Statement and should not be relied upon in making an investment decision with respect to the Certificates. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (“SEC”).

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur.

Other Information

This Official Statement is current only as of its date, and the information contained herein is subject to change. Copies of the Site Lease, the Lease Agreement, the Assignment Agreement, the Trust Agreement and the Continuing Disclosure Certificate are available for inspection at the District at 333 South Beaudry
THE CERTIFICATES

General

The Certificates evidence proportionate and undivided ownership interests in the principal and interest components of Lease Payments to be made by the District pursuant to the Lease Agreement.

The Certificates are dated the date of original delivery thereof and will be executed and delivered in denominations of $5,000 or any integral multiple thereof (“Authorized Denominations”). The principal evidenced by the Certificates will be payable on their respective Principal Payment Dates set forth on the front inside cover page of this Official Statement and shall represent the sum of the portions of the Lease Payments designated as principal components coming due on the Principal Payment Dates in each year.

The principal components of the Lease Payments will evidence interest components calculated at the rates per annum, all as set forth on the front inside cover page of this Official Statement. The interest components evidenced by the Certificates will be due and payable semiannually on June 1 and December 1 of each year, commencing [__________] 1, 20[__] (each an “Interest Payment Date”). The interest evidenced by the Certificates will be due and payable on each Interest Payment Date to and including their respective Principal Payment Dates or prepayment prior thereto, and shall represent the sum of the portions of the Lease Payments evidenced thereby designated as interest components coming due on the Interest Payment Dates in each year.

The interest evidenced by the Certificates will be computed on the basis of a 360-day year consisting of twelve, 30-day months. Each Certificate shall evidence interest from the Interest Payment Date next preceding its date of execution to which interest has been paid in full, unless (i) it is executed as of the Interest Payment Date, in which event interest evidenced thereby shall be payable from the date thereof; or (ii) it is executed after the 15th day of the calendar month immediately preceding such Interest Payment Date, whether or not such day is a Business Day (a “Record Date”) and before the following Interest Payment Date, in which event interest evidenced thereby shall be payable from such following Interest Payment Date; or (iii) it is executed prior to the close of business on the first Record Date, in which event interest evidenced thereby shall be payable from the Delivery Date. Notwithstanding the foregoing, if, as shown by the records of the Trustee, interest evidenced by the Certificates shall be in default, each Certificate shall evidence interest from the last Interest Payment Date to which such interest has been paid in full or duly provided for.

The Lease Agreement requires that each year’s semi-annual Lease Payments thereunder be deposited with the Trustee, as assignee of the Corporation, no later than three business days prior to each Lease Payment Date for the Certificates (each, a “Lease Deposit Date”) which are scheduled to be sufficient to pay, when due, amounts designated as principal and interest evidenced by the Certificates, subject to the provisions of the Lease Agreement regarding abatement in the event of material loss of use of any portion of the Property and prepayment of Lease Payments. See “RISK FACTORS – Abatement” and “THE CERTIFICATES – Prepayment” herein.

The Certificates will be subject to the Book-Entry System of registration, transfer and payment, and each Certificate will initially be registered in the name of Cede & Co., as nominee of DTC. As part of such Book-Entry System, DTC has been appointed securities depository for the Certificates, and registered ownership may not thereafter be transferred except as provided in the Trust Agreement. The Certificates are being delivered in book-entry form only. Purchasers will not receive securities certificates representing
their interests in the Certificates. Rather, in accordance with the Book-Entry System, purchasers of each Certificate will have beneficial ownership interests in the purchased Certificates through DTC Participants. For more information concerning the Book-Entry System, see “THE CERTIFICATES – Book-Entry Only System.”

While the Certificates are subject to the Book-Entry System, payments of principal and interest with respect to the Certificates will be made by the Trustee to DTC, which in turn is obligated to remit such principal and interest to its DTC Participants for subsequent disbursement to Beneficial Owners of the Certificates as described herein. See “THE CERTIFICATES – Book-Entry Only System” and APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

Prepayment*

Optional Prepayment. The Certificates maturing on or after December 1, 20[__], are subject to optional prepayment prior to maturity on or after December 1, 20[__], at the option of the District, as a whole or in part on any date, from amounts deposited with the Trustee by the District, at a prepayment price equal to 100%, plus accrued but unpaid interest to the prepayment date.

Extraordinary Prepayment. The Certificates are subject to prepayment on any Business Day, in whole or in part, from Net Proceeds of condemnation or any insurance award resulting from defect of title, damage or destruction of all or a portion of the Property which the Trustee shall transfer to the Prepayment Fund at least forty-five (45) days prior to such date of prepayment and credited towards the Prepayment made by the District pursuant to the Lease Agreement, at a prepayment price equal to the principal amount of Certificates prepaid together with accrued interest to the date fixed for prepayment, without premium.

Mandatory Sinking Account Prepayment. The Certificates with a stated principal payment date of December 1, 20[__] (the “20[__] Term Certificates”) are subject to prepayment prior to such stated principal payment date, in part, from mandatory sinking account payments, on each December 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such 20[__]Term Certificates to be so prepaid and the dates therefor will be as follows:

<table>
<thead>
<tr>
<th>Prepayment Date (December 1)</th>
<th>Principal To Be Prepaid $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>† † Stated Principal Payment Date</td>
</tr>
</tbody>
</table>

If some but not all of 20[__] Term Certificates are prepaid pursuant to the extraordinary prepayment provisions as described herein under the caption “- Extraordinary Prepayment,” the principal amount of 20[__] Term Certificates to be prepaid pursuant to the mandatory sinking fund prepayment provisions will be reduced by the aggregate principal amount of the 20[__] Term Certificates so prepaid pursuant to the extraordinary prepayment provisions, such reduction to be allocated among sinking fund prepayment dates on a pro rata basis as nearly as practicable.

If some but not all of the 20[__] Term Certificates are prepaid pursuant to the optional prepayment provisions as described herein under the caption “- Optional Prepayment,” the principal amount of 20[__]

* Preliminary; subject to change.
Term Certificates to be prepaid pursuant to the mandatory sinking fund prepayment provisions will be reduced by the aggregate principal amount of the 20[___] Term Certificates so prepaid pursuant to such optional prepayment provisions, such reduction to be allocated among sinking fund prepayment dates selected by the District.

The Certificates with a stated principal payment date of December 1, 20[___] (the “20[___] Term Certificates”) are subject to prepayment prior to such stated principal payment date, in part, from mandatory sinking account payments, on each December 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such 20[___]Term Certificates to be so prepaid and the dates therefor will be as follows:

<table>
<thead>
<tr>
<th>Prepayment Date (December 1)</th>
<th>Principal To Be Prepaid</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

† Stated Principal Payment Date

If some but not all of 20[___] Term Certificates are prepaid pursuant to the extraordinary prepayment provisions as described herein under the caption “ - Extraordinary Prepayment,” the principal amount of 20[___] Term Certificates to be prepaid pursuant to the mandatory sinking fund prepayment provisions will be reduced by the aggregate principal amount of the 20[___] Term Certificates so prepaid pursuant to the extraordinary prepayment provisions, such reduction to be allocated among sinking fund prepayment dates on a pro rata basis as nearly as practicable.

If some but not all of the 20[___] Term Certificates are prepaid pursuant to the optional prepayment provisions as described herein under the caption “ - Optional Prepayment,” the principal amount of 20[___] Term Certificates to be prepaid pursuant to the mandatory sinking fund prepayment provisions will be reduced by the aggregate principal amount of the 20[___] Term Certificates so prepaid pursuant to such optional prepayment provisions, such reduction to be allocated among sinking fund prepayment dates selected by the District.

Partial Prepayment. All or a portion of any Certificate may be prepaid, but only in a principal amount equal to an Authorized Denomination. Upon surrender by the Owner of a Certificate for partial prepayment at the Principal Office, payment of such partial prepayment of the principal amount evidenced by such Certificate will be made to such Owner by check mailed by first class mail to the Owner at his or her address as it appears on the Certificate Register. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the District, a new Certificate or Certificates that 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.

Selection of Certificates for Prepayment. Whenever provision is made in the Trust Agreement for the prepayment of less than all of the Certificates pursuant to the prepayment provisions described under the caption “ - Optional Prepayment,” the Trustee will select the Certificates of to be prepaid from all Outstanding Certificates not previously called for prepayment pursuant to the Trust Agreement, among maturities selected by the District and designated in a Written Request of the District delivered to the
Trustee at least sixty (60) days (or such shorter period as acceptable to the Trustee) prior to the prepayment date and by lot within any maturity. The Trustee will promptly notify the District and the Corporation in writing of the Certificates so selected for prepayment.

Whenever provision is made in the Trust Agreement for the prepayment of less than all of the Certificates pursuant to the prepayment provisions described under the caption “Extraordinary Prepayment,” the Trustee will select the Certificates to be prepaid from all Certificates not previously called for prepayment among maturities of all Certificates on a pro rata basis as nearly as practicable.

Notice of Prepayment. Notice of any such prepayment will be given by the Trustee on behalf and at the expense of the District by registered or otherwise secure mail or delivery service, postage prepaid, or by facsimile transmission, confirmed by telephone, to [the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy and] DTC and, by electronic submission to the MSRB through its EMMA System, or any other entity designated or authorized by the MSRB or the SEC, in accordance with then current guidelines, at least thirty (30) days but not more than sixty (60) days prior to the prepayment date; provided, that neither failure to receive such notice nor any defect in any notice so mailed will affect the sufficiency of the proceedings for the prepayment of such Certificates.

All notices of prepayment will be dated and will specify: (a) that the Certificates or a designated portion thereof are to be prepaid; (b) the numbers of the Certificates (unless all Certificates or all Certificates of a specific maturity have been selected for prepayment) together with the CUSIP numbers to be prepaid (provided that none of the District, the Corporation or the Trustee will be held liable for the accuracy of such CUSIP numbers); (c) the date of notice and the date of prepayment; (d) the place or places where the prepayment will be made; and (e) the interest rates and stated maturity dates of the Certificates to be prepaid. Such notice will further state that on the specified prepayment date there shall become due and payable upon each Certificate or portion thereof to be prepaid, the portion of the principal amount evidenced by such Certificate to be prepaid, together with interest accrued to said date and prepayment premium, if any, and that from and after such date interest with respect thereto will cease to accrue and be payable.

Conditional Notice; Rescission. Any notice of prepayment of the Certificates, or any portion thereof, delivered in accordance with the Trust Agreement, may be conditional and if any condition stated in the notice of prepayment will not have been satisfied on or prior to the prepayment date, said notice (i) will be of no force and effect; (ii) the District will not be required to prepay such Certificates; (iii) the prepayment will not be made; and (iv) the Trustee will within a reasonable time thereafter give notice to the persons and in the manner in which the conditional notice of prepayment was given, that such condition or conditions were not met and that the prepayment was cancelled.

The District may rescind any prepayment and notice thereof for any reason on any date prior to the date fixed for prepayment by causing written notice of the rescission to be given to the Owners of the Certificates so called for prepayment. Notice of rescission of prepayment will be given in the same manner in which notice of prepayment was originally given. The actual receipt by the Owner of any Certificate of notice of such rescission will not be a condition precedent to rescission and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

Effect of Prepayment. Notice of prepayment having been given, and if the money for the prepayment price (including the interest and prepayment premium, if any, to the applicable date of prepayment) is set aside in the Prepayment Fund, the Certificates to be prepaid will become due and payable on said date of prepayment, and, upon presentation and surrender thereof at the Principal Office, said
Certificates will be paid at the unpaid 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 of the Certificates to be prepaid, together with interest to said date of prepayment, shall be held by the Trustee 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 evidenced by such Certificates 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 the Trust Agreement will be cancelled upon surrender thereof and destroyed.

**Book-Entry Only System**

DTC will act as securities depository for the Certificates. The Certificates will be executed and delivered as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Certificate will be issued for each stated Principal Payment Date of the Certificates, each in the aggregate amount of the principal evidenced by Certificates with such stated Principal Payment Date, and will be deposited with DTC. See APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

**Discontinuance of DTC.** In the event that (a) DTC determines not to continue to act as securities depository for the Certificates or (b) 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 may discontinue the book-entry system with DTC. If the District determines to replace DTC 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 different maturity dates and interest rates of such Certificates, registered in the name of such successor or substitute qualified securities depository or its nominee as provided in Trust Agreement. If the District fails to identify another qualified securities depository to replace DTC, then the Certificates shall no longer be restricted to being registered in the 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 transfer and exchange provisions of the Trust Agreement summarized in APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

**SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES**

**Nature of the Certificates**

Each Certificate evidences proportionate and undivided ownership interests in the principal component of the Lease Payment due under the Lease Agreement on the payment date or prepayment date of such Certificate, and the interest component of all Lease Payments (based on the stated interest rate with respect to such Certificate) to accrue from the date of delivery to its payment date or prepayment date, as the case may be.

The Corporation, pursuant to the Assignment Agreement, will assign to the Trustee for the benefit of the Certificate Owners all of the Corporation’s right, title and interest in and to the Lease Agreement, including its right to receive and collect all of the Lease Payments and Additional Payments from the District under the Lease Agreement, provided that the Corporation will retain the right to indemnification.
under the Lease Agreement. The District will pay Lease Payments directly to the Trustee, as assignee of the Corporation. See “– Lease Payments” below.

**Lease Payments**

**General.** The Certificates evidence proportionate undivided interests in the Lease Payments to be made by the District pursuant to the Lease Agreement. The District is required under the Lease Agreement to make Lease Payments subject to the provisions of the Lease Agreement related to abatement. The Lease Payments will be payable from any source of available funds of the District, subject to the provisions of the Lease Agreement and the Trust Agreement. The District has covenanted in the Lease Agreement to take such action as may be necessary to include all Lease Payments and Additional Payments due thereunder in each of its budgets during the term of the Lease Agreement and to make the necessary appropriations for all such Lease Payments and Additional Payments due under the Lease Agreement in the fiscal year covered by such budget. Lease Payments are scheduled to be paid as set forth in “– Lease Payments Schedule” below.

THE OBLIGATION OF THE DISTRICT TO MAKE 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 MAKE LEASE PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE DISTRICT, THE CORPORATION OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The Trustee, pursuant to the Trust Agreement, will receive Lease Payments for the benefit of the Owners. Lease Payments are scheduled to be sufficient to pay, when due, amounts designated as principal and interest evidenced by the Certificates. Except as expressly provided in the Trust Agreement, the Trustee will 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 performance by the District or the Corporation of the other agreements and covenants required to be performed by them, respectively contained in the Lease Agreement or in the Trust Agreement.

**No Acceleration of Lease Payments.** There will be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant of the Lease Agreement to be kept and performed by the District is a condition of the Lease Agreement and upon an Event of Default under the Lease Agreement the Trustee may exercise any and all rights of entry and re-entry upon the Property, and also, at its option, with or without such entry, may terminate the Lease Agreement pursuant to the terms thereof; provided, that no such termination will be effected either by operation of law or acts of the parties thereto, except only in the manner provided in the Lease Agreement. In the event of any Event of Default or Default referred to in the Lease Agreement and notwithstanding any re-entry by the Trustee, the District will, as provided in the Lease Agreement, continue to remain liable for the payment of the Lease Payments and/or damages for breach of the Lease Agreement and the performance of all conditions therein contained and, in any event such Lease Payments and/or damages will be payable to the Trustee at the time and in the manner as provided in the Lease Agreement. See APPENDIX C - “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS - TRUST AGREEMENT - Events of Default and Remedies of Certificate Owners” attached hereto.
Lease Payments Schedule

The Lease Agreement requires that each year’s semi-annual Lease Payments thereunder be deposited with the Trustee, as assignee of the Corporation, no later than three business days prior to each Interest Payment Date for the Certificates (each, a “Lease Deposit Date”) which are scheduled to be sufficient to pay, when due, amounts designated as principal and interest evidenced by the Certificates, subject to the provisions of the Lease Agreement regarding abatement in the event of material loss of use of any portion of the Property and prepayment of Lease Payments. See “RISK FACTORS – Abatement” and “THE CERTIFICATES – Prepayment” herein.

The following table sets forth the payments of the principal components and interest components evidenced by the Certificates and the semi-annual Lease Payments due under the Lease Agreement:

<table>
<thead>
<tr>
<th>Interest Payment Date</th>
<th>Principal Component</th>
<th>Interest Component</th>
<th>Total Semi-Annual Lease Payment</th>
<th>Total Annual Lease Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Total: $                  $                  $                              $                         

Additional Payments

The Lease Agreement requires the District to pay, as Additional Payments thereunder in addition to the Lease Payments, such amounts sufficient to pay all costs and expenses incurred by the District and the Corporation in complying with the provisions of the Trust Agreement, including without limitation payment of all Delivery Costs (to the extent not paid from amounts on deposit in the Delivery Costs Fund), compensation, reimbursable expenses and fees due to the Trustee, [all amounts due to the Insurer,] all costs and expenses of auditors, engineers, counsel and accountants and any amounts required to be rebated to the federal government.
**Covenant to Appropriate Funds**

Pursuant to the Lease Agreement, the District has covenanted to take such action as may be necessary to include all Lease Payments and Additional Payments due under the Lease Agreement in each of its budgets during the term of the Lease Agreement and to make the necessary appropriations for all such Lease Payments and Additional Payments due under the Lease Agreement in the fiscal year covered by such budget. The covenants on the part of the District contained in the Lease Agreement will be deemed to be and will be construed to be duties imposed by law and it will be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in the Lease Agreement agreed to be carried out and performed by the District.

**Abatement**

Under California Law, even though the Lease Agreement becomes effective as of the date of the Certificates, the obligation of the District to make Lease Payments (other than to the extent that funds to make Lease Payments are available in the Lease Payment Fund) must be abated in whole or in part if the District does not have substantial use and occupancy of all or a portion of the Property. See “RISK FACTORS – Abatement” herein.

Lease Payments evidenced by the Certificates will be abated during any period in which, by reason of damage, destruction, any defect in title or other event (other than by eminent domain which is hereinbefore provided for), there is substantial interference with the use and occupancy by the District of the Property or any portion thereof (other than any portions of the Property described in the provisions of the Lease Agreement relating to the District’s right to, at its own expense, remove portions of the Property or to make additions or modifications to the Property), and the District waives the benefits of subsection 2 of Section 1932 and subsection 4 of Section 1933 of the California Civil Code and any and all other rights to terminate the Lease Agreement by virtue of any such interference, and the Lease Agreement shall continue in full force and effect. The extent of such abatement will be agreed upon by the District and the Corporation such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Property not damaged, destroyed or otherwise unavailable for use and occupancy by the District. Such abatement will continue for the period commencing with such damage, defect in title, destruction or other event and, with respect to damage or destruction of property, ending with the substantial completion of the work of repair or reconstruction or of completion of the Property or of the regained availability of use and occupancy. In the event of any such damage, destruction or non-availability, the Lease Agreement will continue in full force and effect and the District waives any right to terminate the Lease Agreement by virtue of any such damage, destruction or unavailability.

Notwithstanding the foregoing, there will be no abatement of Lease Payments under the Lease Agreement by reason of damage, destruction or unavailability of all or a portion of the Property to the extent that: (i) the fair rental value of the portions of the Property not damaged, destroyed, incomplete or otherwise unavailable for use and occupancy by the District (giving due consideration to the obligations of the parties under the Lease Agreement, the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the District and the general public), based upon the opinion of an MAI appraiser with expertise in valuing such properties or other appropriate method of valuation, is equal to or greater than the unpaid Lease Payments; or (ii) (A) the proceeds of rental interruption insurance or (B) amounts in the Net Proceeds Fund and/or the Lease Payment Fund are available to pay Lease Payments which would otherwise be abated under the Lease Agreement, it being declared by the Lease Agreement that such proceeds and amounts constitute special funds for the payment of the Lease Payments.
Failure of the District to make Lease Payments during any period of such abatement will not constitute a default under the Lease Agreement, the Trust Agreement or the Certificates. See “RISK FACTORS – Abatement” herein.

No Reserve Fund

The Trust Agreement does not require a reserve fund in connection with the execution and delivery of the Certificates. Amounts held or to be held in a debt service reserve fund or account established for any other obligations payable from the District’s General Fund may not be used or drawn upon to pay principal of or interest on the Certificates.

Insurance

The Lease Agreement provides that the District will maintain or cause to be maintained, throughout the term of the Lease Agreement, insurance policies, including a standard comprehensive general insurance policy or policies in protection of the Corporation, the District and the Trustee and their respective members, officers, agents and employees. The Lease Agreement provides that such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the District, and may be maintained through the Corporation or in the form of self-insurance by the District; provided, however, that the District may not maintain rental interruption insurance in the form of self-insurance. Said policy or policies will provide for indemnification of said parties against direct or consequential loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Said policy or policies will provide coverage in the minimum liability limits of $1,000,000 for personal injury or death of each person and $3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of $1,000,000 (subject to a deductible clause not to exceed $500,000 per occurrence) for damage to property resulting from each accident or event. Such liability and property damage insurance may, however, be in the form of a single limit policy in the amount of $3,000,000 covering all such risks.

The Lease Agreement provides that the District will procure and maintain, or cause to be procured and maintained, throughout the Term of the Lease Agreement, insurance against loss or damage to any structures constituting any part of the Property by fire, lightning and flood (if reasonably necessary), with extended coverage and vandalism and malicious mischief insurance, with the Trustee named as additional insured and loss payee, with responsible and reputable insurance companies. The Lease Agreement provides that such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried by the District and may be maintained in whole or in part through the Corporation.

The Lease Agreement provides that such extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance will be in an amount equal to the lesser of 100% of the replacement value of the Property or 100% of the remaining Lease Payments evidencing and representing principal evidenced by all outstanding Certificates. The Net Proceeds of such insurance shall be applied as provided in the Lease Agreement.

The Lease Agreement provides that the District will procure and maintain, or cause to be maintained, throughout the term of the Lease Agreement rental interruption insurance to cover loss, total or partial, of the use of any part of the Property during the term of the Lease Agreement with respect to the Property in an amount equal to the greatest twenty-four (24) months of Lease Payments for such Property with the Trustee named as additional insured and loss payee. Such insurance may be carried in conjunction with, and may be subject to the same provisions as, the insurance required under the Lease Agreement.
District has assigned to the Corporation all right of the District, if any, to collect and receive Net Proceeds under any of said policies, which right has been assigned by the Corporation to the Trustee pursuant to the Assignment Agreement. The Net Proceeds of such rental interruption insurance will be paid to the Trustee and deposited in the Lease Payment Fund and will be credited towards the payment of the Lease Payments pursuant to the Trust Agreement.

The Lease Agreement provides that the District will also maintain, or cause to be maintained, throughout the term of the Lease Agreement, boiler and machinery coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus installed on any portion of the Property in an amount not less than $5,000,000 per accident, and worker’s compensation insurance issued by a responsible carrier authorized under the laws of the State to insure its employees against liability for compensation under the Worker’s Compensation Insurance and Safety Act now in force in State, or any act enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the District.

The District will provide, from moneys in the Delivery Costs Fund or at its own expense, on the Closing Date or as soon thereafter as practicable, [an ALTA] [a CLTA] title insurance policy covering, and in the amount of not less than the principal amount of the Certificates, insuring all of the fee title of the District in the Property, the leasehold estate of the Corporation in the Property and the leasehold estate of the District in the Property securing the Certificates, subject only to Permitted Encumbrances, with the Trustee as additional insured and loss payee. The Net Proceeds of such title insurance will be applied as provided in the Lease Agreement.

The District will maintain or cause to be maintained, during the entire term of the Lease Agreement, with insurers of recognized responsibility (or through the District’s current program of self-insurance with respect to certain insurance required by the Lease Agreement) all coverage required under the Lease Agreement. The District may not change its program of self-insurance for any insurance required under the Lease Agreement. Certain policies of insurance required by the Lease Agreement will be obtained from an insurance provider licensed to do business in the State and rated “A” or better by A.M. Best & Company, and will provide that all proceeds thereunder will be payable to the District and the Trustee as insureds and applied as provided in the Lease Agreement. The District will pay or cause to be paid when due the premiums for all insurance policies required by the Lease Agreement.

For additional information regarding the District’s risk management programs, See APPENDIX A - “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation” and APPENDIX C - “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS - THE LEASE AGREEMENT” attached hereto.

**Action on Default**

Upon the occurrence of an Event of Default under the Lease Agreement, the Trustee, as assignee of the Corporation, may, upon direction by the Insurer so long as the Certificates are Outstanding and the Insurer is not in default with respect to its obligations with respect to the Insurance Policy, exercise any and all remedies available pursuant to law or granted pursuant to the Lease Agreement; provided, however, that notwithstanding anything contained in the Lease Agreement or in the Trust Agreement to the contrary, there will be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. The Trustee, as assignee of the Corporation, may exercise any and all rights of entry and re-entry upon the Property, and also, at its option, with or without such entry, may terminate the Lease Agreement as provided in Lease Agreement; provided, that no such termination would be effected either by operation of law or acts of the parties to the Lease
Agreement, except only in the manner expressly provided in the Lease Agreement. In the event of such Event of Default or Default and notwithstanding any re-entry by the Trustee, as assignee of the Corporation, the District would, as expressly provided in the Lease Agreement, continue to remain liable for the payment of the Lease Payments and/or damages for breach of the Lease Agreement and the performance of all conditions contained in the Lease Agreement and, in any event such Lease Payments and/or damages would be payable to the Corporation at the time and in the manner as provided in the Lease Agreement. See “RISK FACTORS.”

The Trust Agreement provides that, so long as the Insurer is not in default under the Insurance Policy, the Insurer will direct all remedies upon an event of default under the Lease Agreement. For a description of the events of default and permitted remedies of the Trustee (as assignee of the Corporation) contained in the Lease Agreement and the Trust Agreement, see APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – THE LEASE AGREEMENT – Events of Default and Remedies” and “ – THE TRUST AGREEMENT – Events of Default and Remedies of Certificate Owners.”

No Additional Encumbrances

Under the Lease Agreement, the Corporation agrees not to pledge the Lease Payments or other amounts derived from the Property or its other rights under the Lease Agreement and will not mortgage or encumber the Property, except as provided under the terms of the Lease Agreement, the Site Lease, the Assignment Agreement and the Trust Agreement.

CERTIFICATE INSURANCE

[Insurance disclosure to come.]

THE PROPERTY

General

[To be updated once property selection finalized; bracketed disclosure relates to properties encumbered in connection the Prior 2010 Certificates.] The Property consists of the Central Region Elementary School #15 and the Central Region Elementary School #17. The Central Region Elementary School #15 is located at 1723 West Cordova Street in the Pico-Union neighborhood of the City of Los Angeles, California. Construction at Central Region Elementary School #15 was completed and occupancy began in 2010. The school sits on a 2.72 acre parcel and includes approximately 47,678 square feet of space. The school site includes classrooms, a library, multi-purpose room, food service and lunch shelter, administrative space, playfields and an underground parking lot. The Central Region Elementary School #17 is located at 900 East 33rd Street in the southeast area of the City of Los Angeles, California. Construction at Central Region Elementary School #17 was completed and occupancy began in 2010. The school sits on a 3.04 acre parcel and includes approximately 57,953 square feet of space. The school site includes classrooms, a library, multi-purpose room, food service and lunch shelter, administrative space, playfields and an underground parking lot. The amount of the annual Lease Payments does not exceed the annual fair rental value of the Property.]

Substitution or Release

Pursuant to the Lease Agreement, and subject to the conditions set forth therein, the District may amend the Lease Agreement to substitute additional real property and facilities for the Property, or to remove real property and facilities from the definition of Property, upon compliance with all of the conditions set forth in the Lease Agreement. After a substitution or removal, the part of the Property for
THE REFUNDBING PLAN*

**General.** The proceeds of the Certificates, together with other available funds, will be used to (i) pay when due or prepay the Prior Lease Obligations and (ii) pay the costs incurred in connection with the execution and delivery of the Certificates. See “ESTIMATED SOURCES AND USES OF FUNDS.”

**2013 Lease.** In order to refinance the acquisition and equipping of certain real property, the District previously caused to be executed and delivered the 2013 Lease, which the Corporation assigned to Capital One Public Funding, LLC (the “Assignee”) pursuant to an Assignment Agreement, dated as of June 1, 2013, by and between the Corporation and the Assignee. On the Delivery Date, a portion of the proceeds of the Certificates will be transferred to the Assignee to prepay the outstanding base rental payments due under the 2013 Lease.

**Prior 2010 Certificates.** In order to finance certain capital projects of the District, the District previously caused to be executed and delivered the 2010 B-1 Certificates and the 2010 B-2 Certificates (the “Prior 2010 Certificates”) pursuant to a Trust Agreement, dated as of December 1, 2010 (the “Prior Trust Agreement”), by and among the District, the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee.

On the Delivery Date, a portion of the proceeds of the Certificates will be transferred to The Bank of New York Mellon Trust Company, N.A., as escrow bank (the “Escrow Bank”) to pay or prepay the Prior 2010 Certificates. The proceeds so transferred to the Escrow Bank will be deposited with the Escrow Bank, together with other available amounts in the funds and accounts established under the Prior Trust Agreement, and will be used to purchase (i) non-callable obligations of, or obligations fully and unconditionally guaranteed as to the timely payment of principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States, (ii) non-callable obligations of government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government, or (iii) certain stripped securities where the principal-only and interest-only strips are derived from non-callable obligations issued by the U.S. Treasury, and REFCORP securities stripped by the Federal Reserve Bank of New York (collectively, the “Eligible Securities”), to enable the Escrow Bank to (a) pay when due at maturity the principal and interest evidenced by the 2010 B-2 Certificates and (b) prepay the 2010 B-1 Certificates on [_______] 1, 2020 (the “Prepayment Date”) at prepayment price equal to 100% of the principal evidenced by the 2010 B-1 Certificates plus accrued but unpaid interest evidenced by the 2010 B-1 Certificates, to the Prepayment Date (the “Prepayment Price”). See “ESCROW VERIFICATION” herein.

---

* Preliminary; subject to change.
Set forth below is a description of the Prior 2010 Certificates to be paid or prepaid with the proceeds of the Certificates:

**Certificates of Participation, 2010 Series B-1**
(Federally Taxable Direct Pay Build America Bonds)
(Capital Projects I)

<table>
<thead>
<tr>
<th>Maturity Date (December 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Prepayment Date</th>
<th>Prepayment Price</th>
<th>CUSIP (544648)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022†</td>
<td>$1,995,000</td>
<td>7.663%</td>
<td>[_____], 2020</td>
<td>100%</td>
<td>TH1</td>
</tr>
<tr>
<td>2025†</td>
<td>3,420,000</td>
<td>8.163%</td>
<td>[_____], 2020</td>
<td>100%</td>
<td>TJ7</td>
</tr>
<tr>
<td>2035†</td>
<td>7,000,000</td>
<td>8.000%</td>
<td>[_____], 2020</td>
<td>100%</td>
<td>TM0</td>
</tr>
<tr>
<td>2035†</td>
<td>7,700,000</td>
<td>8.250%</td>
<td>[_____], 2020</td>
<td>100%</td>
<td>TK4</td>
</tr>
<tr>
<td>2035†</td>
<td>1,500,000</td>
<td>8.525%</td>
<td>[_____], 2020</td>
<td>100%</td>
<td>TL2</td>
</tr>
</tbody>
</table>

† Term Certificate.

**Certificates of Participation, 2010 Series B-2**
(Tax-Exempt)
(Capital Projects I)

<table>
<thead>
<tr>
<th>Maturity Date (December 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>CUSIP (544648)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$3,830,000</td>
<td>5.000%</td>
<td>TF5</td>
</tr>
<tr>
<td>2020</td>
<td>3,600,000</td>
<td>5.750</td>
<td>TG3</td>
</tr>
</tbody>
</table>

**ESTIMATED SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds with respect to the Certificates and other available funds are shown below.

**Estimated Sources of Funds**

Principal Amount of Certificates
[Plus/Less] [Net] Original Issue
[Premium/Discount]

Total Sources

$ $

**Estimated Uses of Funds**

Escrow Fund to Pay or Prepay the Prior 2010 Certificates
Deposit with Assignee to Prepay the 2013 Lease
Underwriter’s Discount
Delivery Costs(1)

Total Uses

$ $

(1) Includes legal, Municipal Advisor, rating agency, printing, [Insurance Policy premium and fees,] and other fees and miscellaneous costs of delivery of the Certificates.

**RISK FACTORS**
The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the Certificates. However, they do not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the Certificates. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

General Considerations and Other Obligations

The obligation of the District to make the Lease Payments does not constitute an obligation 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. Neither the Certificates nor the obligation of the District to make Lease Payments constitutes a debt of the District, the Corporation or the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the District, the District is obligated under the Lease Agreement to pay Lease Payments from any source of legally available funds (subject to certain exceptions) and the District has covenanted in the Lease Agreement that, for as long as the Property is available for its use and possession, it will make the necessary annual appropriations within its budgets for all Lease Payments. The District is currently liable on other obligations payable from the District’s General Fund.

The District is currently liable and may become liable on other obligations payable from general revenues, such as employee salaries and benefits and repayment of tax and revenue anticipation notes, some of which may have a priority over the Lease Payments and Additional Payments. For a discussion of certain other obligations of the District, including its substantial liability with respect to post-employment benefits, See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION” attached hereto. The District has the capacity to enter into other obligations which may constitute additional charges against its revenues. To the extent that additional obligations are incurred by the District, the funds available to make Lease Payments and Additional Payments may be decreased. In the event the District’s revenue sources are less than its total obligations, the District could choose to fund other activities before making Lease Payments and Additional Payments and other payments due under the Lease Agreement.

The District may enter into other obligations payable from revenues in its General Fund. To the extent that additional obligations are incurred by the District, the funds available to make Lease Payments may be decreased. The Lease Payments and other payments due under the Lease Agreement (including payment of costs of repair and maintenance of the Property, taxes and other governmental charges levied against the Property) are payable from funds lawfully available to the District. In the event the amounts which the District is obligated to pay in a fiscal year exceed the District’s revenues for such year, the District may choose to make some payments rather than making other payments, including Lease Payments, based on the perceived needs of the District. The same result could occur if, because of California Constitutional limits on expenditures, the District is not permitted to appropriate and spend all of its available revenues. See APPENDIX A - “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO AD VALOREM PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS - Article XIIIB of the State Constitution” attached hereto.

Limited Recourse on Default

The enforcement of any remedies provided in the Lease Agreement and Trust Agreement could prove both expensive and time-consuming. Although the Lease Agreement provides that, if the District
defaults the Trustee may repossess the Property and relet it, portions of the Property may not be easily recoverable, and even if recovered, could be of little value to others. Additionally, the Trustee may have limited ability to relet the Property to provide a source of rental payments sufficient to pay the principal evidenced by the Certificates. The Trustee is not empowered to sell the Property for the benefit of the Owners. In addition, due to the essential government functions of the Property, it is not certain whether a court would permit the exercise of the remedies of repossession and re-letting with respect thereto. Moreover, there can be no assurance that any reletting would not affect the exclusion of any interest component of the Lease Payments evidenced by the Certificates from federal income taxation.

Default; Remedies Upon Default; No Right of Acceleration

Upon the occurrence of an Event of Default under the Lease Agreement, the Trustee, as assignee of the Corporation, may exercise any and all remedies available pursuant to law or granted pursuant to the Lease Agreement; provided, however, that notwithstanding anything contained in the Lease Agreement or in the Trust Agreement to the contrary, there will be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. The Trustee, as assignee of the Corporation, may exercise any and all rights of entry and re-entry upon the Property, and also, at its option, with or without such entry, may terminate the Lease Agreement as provided in Lease Agreement; provided, that no such termination would be effected either by operation of law or acts of the parties to the Lease Agreement, except only in the manner expressly provided in the Lease Agreement. In the event of such Event of Default or Default and notwithstanding any re-entry by the Trustee, as assignee of the Corporation, the District would, as expressly provided in the Lease Agreement, continue to remain liable for the payment of the Lease Payments and/or damages for breach of the Lease Agreement and the performance of all conditions contained in the Lease Agreement and, in any event such Lease Payments and/or damages would be payable to the Corporation at the time and in the manner as provided in the Lease Agreement.

The Trustee would be required to seek a separate judgment each year for that year’s defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against school districts in the State, including a limitation on enforcement of judgments against funds of a fiscal year other than the fiscal year in which the Lease Payments were due and against funds needed to serve the public welfare and interest.

Abatement

The Lease Agreement provides that fair rental value of the Property equals or exceeds the unpaid principal and interest components of the Lease Payments at all times; therefore, such payments due under the Lease Agreement will not be subject to abatement, except as provided in the paragraph below.

Lease Payments evidenced by the Certificates will be abated during any period in which, by reason of damage, destruction, any defect in title or other event (other than by eminent domain which is hereinafter provided for), there is substantial interference with the use and occupancy by the District of the Property or any portion thereof (other than any portions of the Property described in the provisions of the Lease Agreement relating to the District’s right to, at its own expense, remove portions of the Property or to make additions or modifications to the Property), and the District has waived the benefits of subsection 2 of Section 1932 and subsection 4 of Section 1933 of the California Civil Code and any and all other rights to terminate the Lease Agreement by virtue of any such interference, and the Lease Agreement will continue in full force and effect. The extent of such abatement will be agreed upon by the District and the Corporation such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Property not damaged, destroyed or otherwise unavailable for use and occupancy by the District. Such abatement will continue for the period commencing with such damage, defect in title,
destruction or other event and, with respect to damage or destruction of property, ending with the substantial completion of the work of repair or reconstruction or of completion of the Property or of the regained availability of use and occupancy. In the event of any such damage, destruction or non-availability, the Lease Agreement will continue in full force and effect and the District has waived any right to terminate the Lease Agreement by virtue of any such damage, destruction or unavailability.

Notwithstanding the foregoing, there will be no abatement of Lease Payments under the Lease Agreement by reason of damage, destruction or unavailability of all or a portion of the Property to the extent that: (i) the fair rental value of the portions of the Property not damaged, destroyed, incomplete or otherwise unavailable for use and occupancy by the District (giving due consideration to certain factors identified in the Lease Agreement), based upon the opinion of an MAI appraiser with expertise in valuing such properties or other appropriate method of valuation, is equal to or greater than the unpaid Lease Payments; or (ii) the proceeds of rental interruption insurance or amounts in the Net Proceeds Fund and/or the Lease Payment Fund are available to pay Lease Payments which would otherwise be abated under the applicable provisions of the Lease Agreement, it being declared under the Lease Agreement that such proceeds and amounts constitute special funds for the payment of the Lease Payments.

The District will procure and maintain, or cause to be maintained, throughout the Term of the Lease Agreement rental interruption insurance to cover loss, total or partial, of the use of any part of the Property during the Term of the Lease Agreement with respect to the Property in an amount equal to the greatest twenty-four (24) months of Lease Payments for such Property, with the Trustee named as additional insured and loss payee. Such insurance may be carried in conjunction with, and may be subject to the same provisions as, the fire, extended coverage, boiler and machinery and workers’ compensation insurance required under the Lease Agreement. The Net Proceeds of such insurance will be paid to the Trustee and deposited in the Lease Payment Fund and will be credited towards the payment of the Lease Payments pursuant to the Trust Agreement.

Notwithstanding the foregoing, the resulting funds in the Lease Payment Fund may not be sufficient to pay the remaining principal and interest evidenced by the Certificates in the event of an abatement. Any abatement of Lease Payments will not be considered an Event of Default under the Lease Agreement.

Natural Disasters

**Earthquakes.** The District, like most regions in the State, and the Property are located in an area of seismic activity from movements along active fault zones and, therefore, could be subject to potentially destructive earthquakes. Additionally, numerous minor faults transect the area. Active earthquake faults include the San Andreas Fault that runs throughout the County and other smaller faults including the Lower Elysian Park thrust, the Upper Elysian Park fault and Puente Hills blind thrust system. Seismic hazards encompass both potential surface rupture and ground shaking. Although the Property has been designed and constructed pursuant to earthquake-resistant standards in accordance with the Field Act (Section 17280 et seq. of the Education Code), damage from an earthquake could be substantial. The occurrence of severe seismic activity in the area of the Property could result in substantial damage and interference with the District’s right to use and occupy all or a portion of the Property, which could result in the Lease Payments being subject to abatement. See “—Abatement” above. The District is not required by the Lease Agreement or otherwise to obtain or maintain earthquake insurance for the Property. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES — Insurance.”

**Wildfires.** In recent years, portions of California, including the County and adjacent counties, have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures. The occurrence of wildfires in the area of the District could result in substantial damage and interference with the District’s right to use and occupy all or a portion of the Property, which could result in the Lease
Payments being subject to abatement. See “–Abatement” above. The Lease Agreement requires the District to cause to be maintained casualty insurance insuring the Property against fire and other risks (excluding earthquake). See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Insurance.” [Question for District: Has there been any wildfires near the property that is being leased as part of this transaction?]

**Events of Force Majeure.** Operation of the Property may also be at risk from other events of force majeure, such as damaging storms, floods, fires and explosions, strikes, sabotage, riots and spills of hazardous substances, among other events. [District to confirm.][None of the facilities comprising the Property are located within a 100-year flood plain.] The District cannot predict what force majeure events may occur in the future. For additional information regarding the District’s risk management programs and required insurance coverages under the Lease Agreement, See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation” and APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – THE LEASE AGREEMENT.”

**Drought**

California has recently experienced extended drought conditions, although rainfall in recent years has somewhat abated the drought conditions throughout the State. In January 2014, the Governor declared a state-wide Drought State of Emergency due to the State facing serious water shortfalls due to the driest year in recorded history in the State and the resultant record low levels measured in State rivers and reservoirs. The California State Water Resources Control Board (the “State Water Board”) subsequently issued a Statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor of the State lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. It is not possible for the District to make any representation regarding the extent to which drought conditions could impact the Property or cause reduced economic activity within the boundaries of the District.

**Climate Change and Sea Level Rise**

The direct risks posed by climate change currently include or are expected to include more extreme heat events, rising sea levels, changes in precipitation levels, and more intense storms. In order to address these risks, California law (the Global Warming Solutions Act) requires the State to significantly reduce its emissions of greenhouse gases (GHGs), which contribute to climate change.

Sources of GHG emissions in the District include cars and trucks, electricity and natural gas use in buildings, decomposition of solid waste, landscaping and construction equipment, and water and wastewater distribution, treatment, and use. On-road vehicle use represents the largest source of GHGs, followed by energy use in residential and nonresidential buildings. Going forward, the GHG emissions within the District will continue to change due to new policies, technological improvements, and population growth and new development.

Current science indicates that sea level rise is directly linked to climate change, and sea level is expected to increase over time. Sea level rise threatens even inland areas by exacerbating flooding from very high tides, and by contributing to flooding from extreme rainfall events.

The District cannot predict the timing, extent, or severity of climate change, GHG emissions or sea level rise, and the impact on the District and the Property, and on the State and local economies.
Absence of Earthquake and Flood Insurance

The District is not required under the Lease Agreement to maintain earthquake insurance on the Property. Under the Lease Agreement, flood insurance is only required on the Property if reasonably necessary. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Insurance.” [The District does not currently insure against the risks of earthquake or flood with respect to the Property and does not anticipate obtaining such insurance in the future.] See “– Natural Disasters” above.

[District to confirm whether flood insurance and earthquake insurance currently on Property.]

Hazardous Substances

The existence or discovery of hazardous materials may limit the beneficial use of the Property. In general, the owners and lessees of the Property may be required by law to remedy conditions of such parcel relating to release or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also similarly stringent. Under many of these laws, the owner or lessee is obligated to remedy a hazardous substance condition of the property whether or not the owner or lessee had anything to do with creating or handling the hazardous substance.

Further it is possible that the beneficial use of the Property may be limited in the future resulting from the current existence on the Property of a substance currently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the current existence on the Property of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method in which it is handled. All of these possibilities could significantly limit the beneficial use of the Property.

[The District is unaware of the existence of hazardous substances on the Property sites which would materially interfere with the beneficial use thereof.] [District to confirm.] However, the public education activities of the District may, from time to time, result in the use of limited amounts of hazardous substances on the facilities owned and operated by the District, including, but not limited to, the Property. Accordingly, it is possible that spills, discharges or other adverse environmental consequences of such use in the future could cause an adverse effect on the fair rental value of the Property and lead, in an extreme case, to abatement, in whole or in part, of Lease Payments. See “– Abatement” above.

Substitution or Release of Property

Pursuant to the Lease Agreement, and subject to the conditions set forth therein, the District may amend the Lease Agreement to substitute additional real property and facilities for the Property, or to remove real property and facilities from the definition of Property, upon compliance with all of the conditions set forth in the Lease Agreement. After a substitution or removal, the part of the Property for which the substitution or removal has been effected will be released from the leasehold thereunder. Thus, a portion of the property comprising the Property could be replaced with less valuable property, or could be released altogether. Such a replacement or release could have an adverse impact on the security for the Certificates, particularly if an event requiring abatement of Lease Payments were to occur subsequent to such substitution or release. See APPENDIX C - “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – THE LEASE AGREEMENT – Substitution” and “– Release.”
Bankruptcy

**Generally.** In addition to the limitations on remedies contained in the Lease Agreement and the Trust Agreement, the rights and remedies provided in the Lease Agreement and the Trust Agreement may be limited by and are subject to provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect the enforcement of creditors’ rights.

The obligations of the Insurer under the Insurance Policy are contractual obligations and in an event of default by the Insurer, the rights and remedies available may be limited by and subject to provisions of federal or state insolvency laws, as now or hereafter enacted, and to other laws or equitable principles that may affect the enforcement of creditors’ rights. Should the Insurer encounter financial difficulties, there could be adverse effects on the Owners of the Certificates. The applicable regulators can order an insurance company to stop paying claims, or to pay claims only with the permission of the regulators, even before the insurance company becomes the subject of a formal insolvency proceeding. An insolvent financial guaranty insurer may be able to retain its rights to control remedies and direct the Trustee, and its rights to consent to amendments of the documents, even though it is insolvent or not paying claims as required by the financial guaranty policy. An insolvent financial guaranty insurer may also be able to require the District to reimburse the Insurer before paying amounts due on the Certificates, regardless of what the documents provide. There may be other possible effects of the financial distress of the Insurer that could result in delays or reductions in payments on the Certificates, or result in losses to the Owners of the Certificates. Regardless of any specific adverse determinations, the fact of the financial distress of the Insurer could have an adverse effect on the liquidity and value of the Certificates.

**Bankruptcy of District.** The District may be eligible to become a debtor in a Chapter 9 bankruptcy case. If the District were to go into bankruptcy, it may be able to reject the Site Lease or the Lease Agreement or assume the Site Lease or the Lease Agreement, despite any provision of the Site Lease or the Lease Agreement that makes the bankruptcy or insolvency of the District an event of default thereunder.

If the District rejects the Lease Agreement, the District’s obligation to pay Lease Payments and Additional Payments will terminate. The Trustee on behalf of the Owners of the Certificates will have a claim for damages in the bankruptcy case, but this claim for damages may be significantly limited. While the Corporation may be able to recover possession of the Property and re-let it, no assurance can be given that the new lease will provide for the same level of payments as the Lease Agreement or that the new lessee will be as desirable. The Owners of the Certificates could suffer substantial losses.

If the District rejects the Site Lease, the rights of the Trustee and the Owners of the Certificates to receive Lease Payments and Additional Payments may terminate, even if the District remains in possession of the Property. While the Trustee on behalf of the Owners of the Certificates may have a claim in the District’s bankruptcy, this claim for damages may be significantly limited, and the Owners of the Certificates could suffer substantial losses.

If the District assumes the Lease Agreement, it may be able to assign it to a third party, notwithstanding the provisions of the transaction documents. The District would no longer be obligated to pay Lease Payments and Additional Payments. The third party assignee would be obligated to make such payments. While there must be adequate assurances of the future performance of the assignee, that determination is made by the bankruptcy court, not the Trustee or the Owners of the Certificates, and the determination may turn out to have been wrong. Any such assignee may be a less desirable sublessee and may expose the holders of the Certificates to additional or different risks, including risks of non-payment. There may be adverse tax consequences of such an assignment.
If the District is in bankruptcy, the parties (including the Trustee and the Owners of the Certificates) may be prohibited from taking any action to collect any amount from the District or to enforce any obligation of the District, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the Owners of the Certificates from funds in the Trustee’s possession.

The District may be able to obtain authorization from the bankruptcy court to sell the Property to a third party, free and clear of the Site Lease, the Lease Agreement, and the rights of the Trustee and the Owners of the Certificates. Under such circumstances, the Owners of the Certificates may suffer substantial losses.

The District may be able, without the consent and over the objection of the Trustee and the Owners of the Certificates, to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Lease Agreement, the Trust Agreement, the Certificates, and other transaction documents, as long as the bankruptcy court determines that the alterations are fair and equitable.

The District could threaten to take any of the actions described above as part of negotiations to alter its obligations under the Lease Agreement, the Site Lease, or other transaction documents.

Actions could be taken in a bankruptcy of the District that could adversely affect the exclusion of interest evidenced by the Certificates from gross income for federal income tax purposes. In addition, there may be other possible effects of the bankruptcy of the District that could result in delays or reductions in payments of the principal and interest evidenced by the Certificates, or in other losses to the Owners of the Certificates. There may be delays in payments on the Certificates while the court considers any of these issues.

Regardless of any specific adverse determinations in a bankruptcy case of the District, the fact of such a bankruptcy case could have an adverse effect on the liquidity and value of the Certificates.

Bankruptcy of Corporation. The Corporation is not a special-purpose bankruptcy-remote entity, and could become a debtor in a bankruptcy case. The District and the Corporation intend the assignment to the Trustee of all of Corporation’s right, title, and interest to receive the Lease Payments and Additional Payments to be an absolute sale and not the grant of a security interest in such property to secure a borrowing of the Corporation. Nonetheless, if the Corporation were to become a debtor in a bankruptcy case, and a party in interest (including the Corporation itself) was to take the position that the transfer of the Lease Payments and Additional Payments to the Trustee should be recharacterized as the grant of a security interest in such property, then delays in payments on the Certificates could result. If a court were to adopt such position, then delays or reductions in payments evidenced by the Certificates, or other losses to the Owners of the Certificates, could result.

Because the Corporation is not assigning all its rights under the Site Lease and the Lease Agreement, it may be able to reject the Site Lease and the Lease Agreement despite any provision of the Site Lease or the Lease Agreement which makes the bankruptcy or insolvency of the Corporation an event of default thereunder. If the Corporation rejects the Site Lease, the rights of the Trustee and the Owners of the Certificates to receive Lease Payments and Additional Payments may terminate, even if the District remains in possession of the Property. Under such circumstances, the Owners of the Certificates could suffer substantial losses, and any claim for damages may be significantly limited.

If the Corporation rejects the Lease Agreement, the District will have the option to either treat the Lease Agreement as terminated or to remain in possession. If the District treats the Lease Agreement as
terminated, the District’s obligation to pay Lease Payments and Additional Payments will terminate, but the Corporation or the District may still be able to use the Property. Under such circumstances, the holders of the Certificates could suffer substantial losses.

If the Corporation is in bankruptcy, the parties (including the Trustee and the Owners of the Certificates) may be prohibited from taking any action to collect any amount from the Corporation or to enforce any obligation of the Corporation, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the Owners of the Certificates from funds in the Trustee’s possession. In addition, the provisions of the transaction documents that require the District to make payments directly to the Trustee, rather than to the Corporation, may no longer be enforceable, and all payments may be required to be made to the Corporation.

The Corporation may be able to obtain authorization from the bankruptcy court to sell or assign its leasehold estate in the Property to a third party, free and clear of the Lease Agreement and the rights of the Trustee and the Owners of the Certificates. Under such circumstances, the Owners of the Certificates may suffer substantial losses.

The Corporation may be able, without the consent and over the objection of the Trustee and the Owners of the Certificates, to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Trust Agreement, the Certificates, and the other transaction documents as long as the bankruptcy court determines that the alterations are fair and equitable.

The Corporation could threaten to take any of the actions described above as part of negotiations to alter its obligations under the Site Lease, the Lease Agreement, the Trust Agreement, or other transaction documents.

Actions could be taken in a bankruptcy case of the Corporation which could adversely affect the exclusion of interest evidenced by the Certificates from gross income for federal income tax purposes. In addition, there may be other possible effects of the bankruptcy of the Corporation that could result in delays or reductions in payments of the principal and interest evidenced by the Certificates, or in other losses to the Owners of the Certificates. There may be delays in payments on the Certificates while the court considers any of these issues.

Regardless of any specific adverse determinations in a bankruptcy case of the Corporation, the fact of such a bankruptcy case could have an adverse effect on the liquidity and value of the Certificates.

Limitations on Remedies

The opinion of Special Counsel, the proposed form of which are attached hereto as APPENDIX D, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights. As discussed above, bankruptcy proceedings, if initiated, could subject the owners of the Certificates to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights. See “ – Bankruptcy” above.

Loss of Tax Exemption

As discussed under the heading “TAX MATTERS,” certain acts or omissions of the District in violation of its covenants in the Trust Agreement and the Lease Agreement, as well as certain other matters, could result in the interest evidenced by the Certificates being includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Certificates. Should such an event of
taxability occur, the Certificates would not be subject to a special prepayment and would remain Outstanding until maturity or until prepaid under the provisions contained in the Trust Agreement.

**No Liability of Corporation to the Owners**

Except as expressly provided in the Trust Agreement, the Corporation shall not have any obligation or liability to the owners of the Certificates with respect to the payment when due of the Lease Payments by the District, or with respect to the performance by the District of other agreements and covenants required to be performed by them contained in the Lease Agreement or the Trust Agreement, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Trust Agreement.

**Economic Conditions in California; State Funding of Education**

State income tax and other receipts can fluctuate significantly from year to year, depending on economic conditions in the State and the nation. Because much of the District’s revenues derive from State funding under the local control funding formula (the “LCFF”), the District’s revenues can vary significantly from year to year, even in the absence of significant education policy changes. Decreases in the State’s general fund revenues may significantly affect appropriations made by the State to school districts, including the District. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act.”

While the California Constitution contains certain minimum funding requirements for public education pursuant to Proposition 98, State funding can be affected by a number of factors, including poor performance of the California economy and State budget shortfalls. At times since the implementation of Proposition 98, the State has sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years’ Proposition 98 minimum funding levels rather than current year increases; by deferring apportionments of Proposition 98 funds from one fiscal year to the next, as the State is doing in fiscal years 2019-20 and 2020-21 (see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act” for further information); by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution’s definition of the guaranteed amount and settle-up requirement under certain circumstances.

The State and national economy is currently in a recession resulting from the COVID-19 pandemic. There have and may continue to be adverse effects on the budgets of school districts caused by the general economic downturns in State and the State’s own budget difficulties. See “– Infectious Disease Outbreak” below. Continued adverse economic conditions and reduced revenues at the State level could have future, unpredictable, negative effects upon the amount of and the manner in which the District receives money from the State. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION.”

**Infectious Disease Outbreak**

In general, the outbreak of a highly contagious disease or epidemic disease could harm the District’s financial results or result in a temporary shutdown of the District’s facilities. School districts in California are funded based on the LCFF, which allocates a base grant per unit of average daily attendance with additional supplemental grants based on certain factors. Thus, a temporary shutdown of a school or an
entire school district would reduce the average daily attendance and could impact the funding a school district receives unless the State legislature or California Department of Education takes action to exclude such days from the calculations for funding purposes. Further, any impact on the State’s tax and other revenue receipts as a result of a highly contagious or epidemic disease may in turn impact other educational funding that the District receives from the State. See “– Economic Conditions in California; State Funding of Education” above. In addition, the District may incur increased operational costs to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease.

The outbreak of COVID-19 and the resulting pandemic has significantly impacted school districts throughout California, including the District. For more information regarding the impact of the COVID-19 pandemic on the District’s operations and finances, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Local Control Funding Formula – Infectious Disease Outbreak.”

Cybersecurity

The District collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, and contractors. As the custodian of such information, the District is constantly facing a variety of persistent and evolving cybersecurity threats. For more information regarding recent cyberattacks on the District and actions the District has taken to protect its systems and minimize future cyberattacks, see APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Financial Policies and Related Practices – Cybersecurity Practices.”

THE DISTRICT

A description of the District, including information concerning its finances and organization, its major revenue sources, funds, liabilities and indebtedness, and certain factors affecting its finances and operations, is set forth in Appendix A.

The District’s Audited Annual Financial Report for fiscal year ended June 30, 2019, including its general purpose financial statements for the fiscal year ended June 30, 2019, is attached hereto as Appendix B. The basic financial statements of the District for the fiscal year 2018-19 have been audited by Simpson & Simpson, independent certified public accountants, as stated in their report appearing in Appendix B. The District has not requested nor has the District obtained the consent of Simpson & Simpson to the inclusion of its report in Appendix B. Simpson & Simpson has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Simpson & Simpson has not been requested to perform and has not performed any procedures relating to the Official Statement.

THE CORPORATION

The Corporation was organized on July 18, 2000 as a California nonprofit benefit corporation. The Corporation was formed at the request of the District for the specific and primary purpose of providing finance assistance to the District by financing the acquisition, construction, remodeling, rehabilitation, equipping, improvement, financing and refinancing of various public facilities, land and equipment of the District and by leasing certain facilities, land and equipment for the use, benefit and enjoyment of the public served by the District, as well as any other purpose incidental thereto.
The Directors of the Corporation receive no compensation. The Corporation has no financial liability to the Owners of the Certificates with respect to the payment of Lease Payments by the District or with respect to the performance by the District of the other agreements and covenants it is required to perform under the legal documents relating to the Certificates.

The members of the Board of Directors of the Corporation are members of the Board of Education of the District. As of the date of this Official Statement, the officers of the Corporation include:

[____], President
[____], Vice President
[____], Treasurer
[____], Secretary

ABSENCE OF MATERIAL LITIGATION

There is no litigation pending against the District or the Corporation or, to the knowledge of its respective executive officers, threatened, (i) which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Certificates, the Lease Agreement, the Site Lease, the Trust Agreement, the Assignment Agreement or the Continuing Disclosure Certificate, (ii) contesting the validity of the Lease Agreement, the Site Lease, the Trust Agreement, the Assignment Agreement or the Continuing Disclosure Certificate, the powers of the District or the Corporation to enter into or perform its obligations under the Lease Agreement, the Site Lease, the Trust Agreement or the Continuing Disclosure Certificate, or the existence or powers of the District, or (iii) which, if determined adversely to the District or the Corporation, would materially impair the District’s ability to meet its obligations under the Lease Agreement or materially and adversely affect the District’s financial condition. There are a number of lawsuits and claims pending against the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the finances of the District. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation.”

TAX MATTERS

Opinion of Special Counsel. In the opinion of Hawkins Delafield & Wood LLP, Special Counsel to the District (“Special Counsel”), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest evidenced by the Certificates is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest evidenced by the Certificates is not treated as a preference item in calculating the alternative minimum tax under the Code. In rendering its opinion, Special Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Certificates, and Special Counsel has assumed compliance by the District with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest evidenced by the Certificates from gross income under Section 103 of the Code.

In addition, in the opinion of Special Counsel, under existing statutes, interest evidenced by the Certificates is exempt from personal income taxes imposed by the State of California.

Special Counsel expresses no opinion as to any other Federal, state or local tax consequences arising with respect to the Certificates, or the ownership or disposition thereof, except as stated above. Special Counsel renders its opinion under existing statutes and court decisions as of the issue date, and
assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or
not taken, any fact or circumstance that may thereafter come to its attention, any change in law or
interpretation thereof that may thereafter occur, or for any other reason. Special Counsel expresses no
opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of
their occurrence. In addition, Special Counsel expresses no opinion on the effect of any action taken or not
taken in reliance upon an opinion of other counsel regarding Federal, state or local tax matters, including,
without limitation, exclusion from gross income for Federal income tax purposes of interest evidenced by
the Certificates.

Certain Ongoing Federal Tax Requirements and Covenants. The Code establishes certain
ongoing requirements that must be met subsequent to the issuance and delivery of the Certificates in order
that interest evidenced by the Certificates be and remain excluded from gross income under Section 103 of
the Code. These requirements include, but are not limited to, requirements relating to use and expenditure
of gross proceeds of the Certificates, yield and other restrictions on investments of gross proceeds, and the
arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal
government. Noncompliance with such requirements may cause interest evidenced by the Certificates to
become included in gross income for Federal income tax purposes retroactive to their issue date,
irrespective of the date on which such noncompliance occurs or is discovered. The District has covenanted
to comply with certain applicable requirements of the Code to assure the exclusion of interest evidenced by
the Certificates from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain
collateral Federal income tax matters with respect to the Certificates. It does not purport to address all
aspects of Federal taxation that may be relevant to a particular owner of a Certificate. Prospective investors,
particularly those who may be subject to special rules, are advised to consult their own tax advisors
regarding the Federal tax consequences of owning and disposing of the Certificates.

Prospective owners of the Certificates should be aware that the ownership of such obligations may
result in collateral Federal income tax consequences to various categories of persons, such as corporations
(including S corporations and foreign corporations), financial institutions, property and casualty and life
insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals
otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued
indebtedness to purchase or carry obligations the interest evidenced by which is excluded from gross
income for Federal income tax purposes. Interest evidenced by the Certificates may be taken into account
in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section
884 of the Code.

Original Issue Discount. “Original issue discount” (“OID”) is the excess of the sum of all amounts
payable at the stated maturity of a Certificate (excluding certain “qualified stated interest” that is
unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In
general, the “issue price” of a maturity (a certificate with the same maturity date, interest rate, and credit
terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a
purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale
of the Certificates. In general, the issue price for each maturity of Certificates is expected to be the initial
public offering price set forth on the cover page of the Official Statement. Special Counsel further is of the
opinion that, for any Certificates having OID (a “Discount Certificate”), OID that has accrued and is
properly allocable to the owners of the Discount Certificates under Section 1288 of the Code is excludable
from gross income for federal income tax purposes to the same extent as other interest evidenced by the
Certificates.
In general, under Section 1288 of the Code, OID on a Discount Certificate accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Certificate. An owner’s adjusted basis in a Discount Certificate is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Certificate. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Certificate even though there will not be a corresponding cash payment.

Owners of Discount Certificates should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Certificates.

Certificate Premium. In general, if an owner acquires a Certificate for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Certificate after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Certificate (a “Premium Certificate”). In general, under Section 171 of the Code, an owner of a Premium Certificate must amortize the Certificate premium over the remaining term of the Premium Certificate, based on the owner’s yield over the remaining term of the Premium Certificate determined based on constant yield principles (in certain cases involving a Premium Certificate callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Certificate). An owner of a Premium Certificate must amortize the Certificate premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the Certificate premium allocable to that period. In the case of a tax-exempt Premium Certificate, if the Certificate premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Certificate may realize a taxable gain upon disposition of the Premium Certificate even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Certificates should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Certificates.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest paid on tax-exempt obligations, including the Certificates. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Certificate through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest evidenced by the Certificates from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.
**Miscellaneous.** Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest evidenced by the Certificates under Federal or state law or otherwise prevent beneficial owners of the Certificates from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Certificates.

Prospective purchasers of the Certificates should consult their own tax advisors regarding the foregoing matters.

The proposed form of the opinion of Hawkins Delafield & Wood LLP relating to the Certificates is set forth in APPENDIX D — “FORM OF SPECIAL COUNSEL OPINION” hereto.

**RATINGS**

Moody’s Investors Service Inc. (“Moody’s”) has assigned [an underlying] a rating of “[___]”. The rating agency may have obtained and considered information and material which has not been included in this Official Statement. Generally, rating agencies base their ratings on information and material so furnished and on investigations, studies and assumptions made by them (which may include information and material from the District which is not included in this Official Statement). The rating is not a recommendation to buy, sell or hold the Certificates. The rating reflects only the view of the rating agency and an explanation of the significance of its rating may be obtained from it. There is no assurance that a rating of a rating agency will be maintained for any given period of time or that such rating may not be revised downward or withdrawn entirely by the rating agency, if in its own judgment, circumstances warrant. Any such downward change in or withdrawal may have an adverse effect on the market price of the Certificates. Neither the Underwriter nor the District has undertaken any responsibility after the execution and delivery of the Certificates to assure the maintenance of the rating or to oppose any such revision or withdrawal.

[In addition, [___] is expected to assign its insured rating of “[___]” to the Certificates with the understanding that upon delivery of the Certificates, the Insurance Policy will be delivered by the Insurer. See also “CERTIFICATE INSURANCE” herein. Such rating is expected to be assigned solely as a result of the issuance of the Insurance Policy and would reflect only [___]’s view of the claims-paying ability and financial strength of the Insurer. Neither the Underwriter nor the District has made any independent investigation of the claims-paying ability of the Insurer and no representation is made that the insured rating of the Certificates based upon the purchase of the Insurance Policy will remain the same. The existence of the Insurance Policy will not, of itself, negatively affect the underlying ratings. However, any downward revision or withdrawal of any rating of the Insurer may have an adverse effect on the market price or marketability of the Certificates.]

**ESCROW VERIFICATION**

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter relating to the computation of projected receipts of principal and interest on the Eligible Securities, and the projected payments of principal, redemption premium, if any, and interest to prepay the Prior Lease Obligations will be verified by Robert Thomas CPA, LLC (the “Verification Agent”). Such computations will be based solely on assumptions and information supplied by the District and the Underwriter. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome.
CERTAIN LEGAL MATTERS

Hawkins Delafield & Wood LLP, Special Counsel to the District, will render its opinion with respect to the legality of the Lease Agreement and the Trust Agreement. The form of the legal opinion proposed to be delivered by Special Counsel is included as Appendix D to this Official Statement. Special Counsel, as such, undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District, for the Underwriter by Nixon Peabody LLP, and for the District and Corporation by General Counsel to the District.

Each of Special Counsel, Disclosure Counsel and Underwriter’s Counsel will receive compensation contingent upon the execution and delivery of the Certificates. From time to time, Special Counsel and Disclosure Counsel each may represent the Underwriter in matters unrelated to the District or the Certificates.

MUNICIPAL ADVISOR

Public Resources Advisory Group (the “Municipal Advisor”), has been engaged by the District to perform financial services in connection with the delivery of the Certificates and certain other financial matters. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. The Municipal Advisor is not contractually obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

UNDERWRITING

The Certificates are to be purchased by UBS Financial Services Inc. (the “Underwriter”). The Underwriter has agreed, subject to certain terms and conditions set forth in the Certificate Purchase Agreement, dated __________, 2020, by and between the Underwriter and the District, to purchase the Certificates at a purchase price of $__________ (which represents the aggregate principal amount of the Certificates, [plus/less] $__________ of [net] original issue [premium/discount], and less $__________ of Underwriter’s discount). The Underwriter will purchase all the Certificates if any are purchased. The Certificates may be offered and sold to certain dealers (including dealers depositing said Certificates into investment trusts) and others at prices lower than the initial public offering price, and the public offering price may be changed from time to time by the Underwriter.

UBS Financial Services Inc. (“UBS FSI”) has entered into a distribution and service agreement with its affiliate UBS Securities LLC (“UBS Securities”) for the distribution of certain municipal securities offerings. Pursuant to such agreement, UBS FSI will share a portion of its underwriting compensation with UBS Securities. UBS FSI and UBS Securities are each subsidiaries of UBS Group AG.

MISCELLANEOUS

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be
construed as a contract or agreement between the District and the purchasers or Owners of any of the Certificates.

The District has duly authorized the execution and delivery of this Official Statement.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: ________________________________
   Chief Financial Officer
APPENDIX A

DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION
APPENDIX B

AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2019
APPENDIX C

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS
APPENDIX D

FORM OF SPECIAL COUNSEL OPINION
APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE
APPENDIX F

THE LOS ANGELES COUNTY TREASURY POOL

The Treasurer and Tax Collector of the County of Los Angeles (the “Treasurer”) manages, in accordance with California Government Code Section 53600 et seq., funds deposited with the Treasurer by County school and community college districts, various special districts and some cities. State law generally requires that all moneys of the County, school districts and certain special districts be held in the County’s Treasury Pool (the “Treasury Pool”) as described below. The composition and value of investments under management in the Treasury Pool vary from time to time, depending on the cash flow needs of the County and the other public agencies invested in the Treasury Pool, the maturity or sale of investments, purchase of new securities and fluctuations in interest rates generally. Additionally, the Treasurer, with the consent of the Board of Supervisors of the County of Los Angeles (the “County”), may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Neither the District, the Municipal Advisor nor the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained herein is correct as of any time subsequent to its date. The Treasurer maintains a website, the address of which is https://ttc.lacounty.gov/monthly-reports/, on which the Treasurer periodically places information relating to the Treasury Pool. However, the information presented there is not part of this Official Statement, is not incorporated by reference herein and should not be relied upon in making an investment decision with respect to the Certificates.

The County of Los Angeles Pooled Surplus Investments

The Treasurer and Tax Collector (the “Treasurer”) of the County of Los Angeles (the “County”) has the delegated authority to invest funds on deposit in the County Treasury (the “Treasury Pool”). As of June 30, 2020, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

<table>
<thead>
<tr>
<th>Local Agency</th>
<th>Invested Funds (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>County of Los Angeles and Special Districts</td>
<td>$13.522</td>
</tr>
<tr>
<td>Schools and Community Colleges</td>
<td>16.763</td>
</tr>
<tr>
<td>Discretionary Participants</td>
<td>3.024</td>
</tr>
<tr>
<td>Total</td>
<td>$33.309</td>
</tr>
</tbody>
</table>

The Treasury Pool participation composition is as follows:

- Non-discretionary Participants: 90.93%
- Discretionary Participants:
  - Independent Public Agencies: 8.70%
  - County Bond Proceeds and Repayment Funds: 0.37%
- Total: 100.00%

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer’s prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy
developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on March 31, 2020, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Return on Investment

The Treasurer prepares a monthly Report of Investments (the “Investment Report”) summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Investment Report dated July 31, 2020, the June 30, 2020 book value of the Treasury Pool was approximately $33.309 billion, and the corresponding market value was approximately $33.405 billion.

An internal controls system for monitoring cash accounting and investment practices is in place. The Treasurer’s Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and investments to fund balances daily. The Compliance Auditor’s staff also reviews each investment trade for accuracy and compliance with the Board adopted Investment Policy. On a quarterly basis, the County’s outside independent auditor (the “External Auditor”) reviews the cash and investment reconciliations for completeness and accuracy. Additionally, the External Auditor reviews investment transactions on a quarterly basis for conformance with the approved Investment Policy and annually accounts for all investments.

The following table identifies the types of securities held by the Treasury Pool as of June 30, 2020:

<table>
<thead>
<tr>
<th>Type of Investment</th>
<th>% of Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of Deposit</td>
<td>4.50%</td>
</tr>
<tr>
<td>U.S. Government and Agency Obligations</td>
<td>71.84%</td>
</tr>
<tr>
<td>Bankers Acceptances</td>
<td>0.00%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>23.16%</td>
</tr>
<tr>
<td>Municipal Obligations</td>
<td>0.19%</td>
</tr>
<tr>
<td>Corporate Notes &amp; Deposit Notes</td>
<td>0.31%</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>0.00%</td>
</tr>
<tr>
<td>Asset Backed Instruments</td>
<td>0.00%</td>
</tr>
<tr>
<td>Other</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

The Treasury Pool is highly liquid. As of June 30, 2020, approximately 39% of the investments mature within 60 days, with an average of 590 days to maturity for the entire portfolio.
APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The following information has been provided by DTC for use in securities offering documents, and none of the District, the Corporation or the Underwriter takes any responsibility for the accuracy or completeness thereof.

1. The Depository Trust Company ("DTC"), will act as securities depository for the Certificates. The Certificates will be executed and delivered as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Certificate will be issued for each stated Principal Payment Date of the Certificates, each in the aggregate amount of the principal evidenced by Certificates with such stated Principal Payment Date, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTCC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information on such website is not incorporated into this Official Statement by reference or otherwise.

3. Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC’s records. The ownership interest of each actual purchaser of each Certificate (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

4. To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be
requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Prepayment notices will be sent to DTC. If less than all of the Certificates with a particular stated Principal Payment Date are being prepaid, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such Certificates to be prepaid.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Payments of principal, premium, if any, interest and other payments evidenced by the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from the District or the Trustee, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, premium, if any, interest and other payments evidenced by the Certificates to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, and disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Certificates are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Certificates will be printed and delivered to DTC.
11. The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

THE DISTRICT, THE CORPORATION AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO PARTICIPANTS, OR THAT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL, INTEREST OR ANY PREMIUM EVIDENCED BY THE CERTIFICATES PAID TO DTC OR ITS NOMINEE AS THE REGISTERED OWNER, OR ANY PREPAYMENT OR OTHER NOTICES, TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE DISTRICT, THE CORPORATION AND THE TRUSTEE ARE NOT RESPONSIBLE OR LIABLE FOR THE FAILURE OF DTC OR ANY PARTICIPANTS TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE CERTIFICATES OR ANY ERROR OR DELAY RELATING THERETO.

THE FOREGOING DESCRIPTION OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE CERTIFICATES, PAYMENT OF PRINCIPAL, INTEREST AND OTHER PAYMENTS EVIDENCED BY THE CERTIFICATES TO PARTICIPANTS OR BENEFICIAL OWNERS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN SUCH CERTIFICATES AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE PARTICIPANTS AND THE BENEFICIAL OWNERS IS BASED ON INFORMATION PROVIDED BY DTC. ACCORDINGLY, THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.
Board of Education 
Los Angeles Unified School District
Los Angeles, California

Ladies and Gentlemen:

We have acted as Special Counsel to the Los Angeles Unified School District (the “District”) in connection with the execution and delivery of $_________ Refunding Certificates of Participation, 2020 Series A (the “Certificates”), evidencing proportionate and undivided interests of the owners thereof in lease payments to be made by the District under the Lease Agreement, dated as of [Dated Date] (the “Lease Agreement”), by and between the LAUSD Financing Corporation (the “Corporation”), as lessor, and the District, as lessee. The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of [Dated Date] (the “Trust Agreement”), by and among the Corporation, the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

In rendering this opinion, we have reviewed the record of the actions taken by the District in connection with the execution and delivery of the Certificates. We have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such documents, instruments, or corporate records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

We are of the opinion that:

1. The Site Lease Agreement dated as of [Dated Date] (the “Site Lease”), by and between the District, as lessor, and the Corporation, as lessee, the Lease Agreement and the Trust Agreement have been duly executed and delivered by the District and constitute the valid and binding obligations of the District and, assuming due execution by the other parties thereto, are enforceable against the District in accordance with their respective terms.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) the portion of Lease Payments due under the Lease Agreement designated as and comprising Interest Components with respect to the Certificates is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) the portion of Lease Payments due under the Lease Agreement designated as and comprising Interest Components with respect to the Certificates is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code.

The Code establishes certain requirements which must be met subsequent to the execution and delivery of the Certificates in order that the portion of Lease Payments due under the Lease
Agreement designated as and comprising Interest Components with respect to the Certificates be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Certificates, restrictions on the investment of proceeds of the Certificates prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the portion of Lease Payments due under the Lease Agreement designated as and comprising Interest Components with respect to the Certificates to become subject to federal income taxation retroactive to their date of execution and delivery, irrespective of the date on which such noncompliance occurs or is discovered. On the date of execution and delivery of the Certificates, the District will execute the Tax Certificate containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the District covenants that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the portion of Lease Payments due under the Lease Agreement designated as and comprising Interest Components with respect to the Certificates will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 2 hereof, we have relied upon and assumed the material accuracy of the District’s representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the portion of Lease Payments due under the Lease Agreement designated as and comprising Interest Components with respect to the Certificates, and continuing compliance with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, the portion of Lease Payments due under the Lease Agreement designated as and comprising Interest Components with respect to the Certificates is exempt from State of California personal income taxes.

The foregoing opinions are qualified to the extent that the enforceability of the Certificates, the Lease Agreement, the Site Lease and the Trust Agreement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditor’s rights or remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law), to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities in the State of California.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Certificates, or the ownership or disposition thereof, except as stated in paragraphs (2) and (3) above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Certificates.
We undertake no responsibility for the accuracy, completeness or fairness of any official statement or other offering materials relating to the Certificates and express herein no opinion relating thereto.

We express no opinion with respect to the state or quality of title to or interest in any of the real or personal property described in or as subject to the lien of the Trust Agreement, the Lease Agreement or the Site Lease, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens, on any such property.

Very truly yours,
LOS ANGELES UNIFIED SCHOOL DISTRICT  
(County of Los Angeles, California)

$[Principal Amount] 
Refunding Certificates of Participation, 2020 Series A  
Evidencing Proportionate and Undivided Interests of the Owners thereof in Lease Payments to be made by the
Los Angeles Unified School District

CONTRACT OF PURCHASE

[Sale Date]

Los Angeles Unified School District
c/o Office of the Chief Financial Officer
333 S. Beaudry Avenue, 26th Floor
Los Angeles, California 90017

LAUSD Financing Corporation
[Los Angeles Unified School District
c/o Office of the Chief Financial Officer
333 S. Beaudry Avenue, 26th Floor
Los Angeles, California 90017]

Ladies and Gentlemen:

The undersigned, UBS Financial Services Inc. (the “Underwriter”) hereby offers to enter into this Contract of Purchase (the “Purchase Contract”) with the Los Angeles Unified School District (the “District”) and the LAUSD Financing Corporation (the “Corporation”), which, upon your acceptance hereof, will be binding upon the District, the Corporation and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the District and the Corporation and delivery of such acceptance to us at or prior to 11:59 PM, California Time, on the date hereof.

1. **Purchase and Sale of the Certificates.**

   A. Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the District’s $[Principal Amount] Refunding Certificates of Participation, 2020 Series A (the “Certificates”). The Certificates shall be executed and delivered in the form of current interest certificates in such principal amounts as set forth in Exhibit A hereto and shall be executed and delivered in fully registered form in the authorized denominations of $5,000 or any integral multiple thereof. Interest evidenced by the Certificates is payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2021.
B. The Underwriter shall purchase the Certificates at a price of $____________ (the “Purchase Price”) (which represents the aggregate principal amount of the Certificates, [plus/less [net] original issue premium/discount of $____________, and less Underwriter’ discount in the amount of $____________). From the Purchase Price for the Certificates, the Underwriter shall withhold and hereby agrees to wire on the Closing Date (as defined below): (i) $____________ in immediately available funds to the Trustee, as costs administrator, to pay the costs of execution and delivery of the Certificates as provided in Section 14 of this Purchase Contract; [and (ii) $__________ in immediately available funds to _______ (the “Insurer”) to pay the premium for the Insurance Policy (as defined below).]

C. Any authority, discretion, or other power conferred upon the Underwriter by this Purchase Contract shall be exercised by the Underwriter alone.

2. The Certificates.

A. The Certificates shall be dated their date of delivery, shall evidence interest at the rates, shall mature in the years and amounts and shall have the prepayment provisions as set forth in Exhibit A hereto. The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of [Dated Date] (the “Trust Agreement”), by and among The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), the Corporation and the District. The Certificates will evidence proportionate and undivided ownership interest in certain lease payments (the “Lease Payments”) to be made by the District under the Lease Agreement, dated as of [Dated Date] (the “Lease Agreement”), by and between the District, as lessee, and the Corporation, as lessor. Pursuant to the Lease Agreement, the District will pay the Lease Payments in consideration for use and occupancy of certain real property owned by the Corporation (the “Property”), which the District will initially lease to the Corporation pursuant to a Site Lease, dated as of [Dated Date] (the “Site Lease”), by and between the Corporation and the District and the District subleases it back from the Corporation pursuant to the Lease Agreement. The Corporation will assign to the Trustee its right to receive Lease Payments pursuant to an Assignment Agreement, dated as of [Dated Date] (the “Assignment Agreement”), by and between the Corporation and the Trustee. [A portion of the proceeds of the Certificates will be: (i) deposited into an escrow fund established pursuant to an Escrow Agreement, dated as of [Dated Date] (the “Escrow Agreement”), by and between the District and The Bank of New York Mellon Trust Company, as escrow bank (the “Escrow Bank”), for the certificates of the District to be paid or prepaid as described in the Official Statement (the “Prior 2010 Certificates”), for the benefit of the owners of the Prior 2010 Certificates, to pay, prepaid and defease the Prior 2010 Certificates. A portion of the proceeds of the Certificates will also be used to prepay the outstanding based rental payments due under the 2013 Lease as described in the Official Statement.]

B. Upon the written acceptance of this Purchase Contract by the District, and the Corporation, the Underwriter shall deliver, within twenty-four (24) hours of such acceptance, by federal funds wire transfer to the Trustee, for the account of the District, the amount of $__________ as a good-faith deposit (“Good Faith Deposit”) for the performance by the Underwriter of their obligations to accept and pay for the Certificates at Closing (as defined herein) in accordance with the provisions of this Purchase Contract. Upon receipt, such amount shall be held by the District pending Closing (except as provided below), although the proceeds thereof may be invested by the District pending the Closing. At the Closing, the Underwriter shall pay or
cause to be paid the Purchase Price of the Certificates, less the amount of such Good Faith Deposit, without accrued interest, and thereupon the District shall apply the amount of the Good Faith Deposit, to the payment of the balance of such Purchase Price. In the event of the District’s inability to deliver the Certificates at the Closing, or if the District or the Corporation is unable to satisfy the conditions to the Underwriter’s obligations contained herein (unless such conditions are waived by the Underwriter), or if the Underwriter’s obligations shall be terminated for any reason permitted hereby, the District shall forthwith return the amount of the Good Faith Deposit, without accrued interest, to the Underwriter immediately and such return shall constitute a full release and discharge of all claims by the Underwriter against the District or the Corporation arising out of the transactions contemplated by this Purchase Contract. In the event that the Underwriter fails (other than for a reason permitted hereby) to accept and pay for the Certificates at the Closing as herein provided, the proceeds of the Good Faith Deposit, shall be retained and applied by the District in full and complete liquidated damages (and not as a penalty) for such failure and as a discharge of all damages suffered on the part of the District and the Corporation as a result of such failure.

C. The Certificates shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the Trust Agreement. The Certificates shall be in definitive form, shall bear CUSIP numbers and shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). [Principal of and interest with respect to the Certificates, as the same shall become due and payable, shall be insured by the Insurer, which shall issue its municipal bond insurance policy (the “Insurance Policy”) guaranteeing such payment.

3. Use of Documents. The District and the Corporation hereby authorize the Underwriter to use, in connection with the offer and sale of the Certificates, the Site Lease, the Lease Agreement, the Trust Agreement, the Assignment Agreement, the resolution of the Board of Education of the District, adopted on [____, 2020] (the “District Resolution”) and the Board of Directors of the Corporation, adopted on [____, 2020] (the “Corporation Resolution” and collectively, the “Resolutions”), this Purchase Contract, the Escrow Agreement, a Preliminary Official Statement and an Official Statement (both as defined herein), and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

4. Public Offering of the Certificates.

A. The Underwriter agrees to assist the District in establishing the issue price of the Certificates and shall execute and deliver to the District at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit D, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Special Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Certificates. All actions to be taken by the District under this section to establish the issue price of the Certificates may be taken on behalf of the District by the District’s municipal advisor, Public Resources Advisory Group (the “Municipal Advisor”) and any notice or report to be provided to the District may be provided to the District’s Municipal Advisor.
B. Except as otherwise set forth in Exhibit A attached hereto, the District will treat the first (meaning single) price at which 10% of each maturity of the Certificates (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the District the price or prices at which the Underwriter has sold to the public each maturity of Certificates.

C. The Underwriter confirms that it has offered the Certificates to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Certificates for which the Underwriter represents that (i) the 10% test has been satisfied and (ii) the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Certificates, the Underwriter will neither offer nor sell unsold Certificates of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or

2. the date on which the Underwriter has sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

D. The Underwriter confirms that:

1. any agreement among underwriters, any selling group agreement and any retail distribution agreement relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A)(i) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and (ii) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires, (B) promptly notify the Underwriter of any sales of the Certificates that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Certificates to the public (each such term being used as defined below), and (C) acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public; and
(2) any agreement among Underwriter relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Certificates to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Underwriter or the Underwriter that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter as set forth in the related pricing wires.

E. The Underwriter acknowledges that sales of any Certificates to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party;

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the public);

(3) a purchaser of any of the Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(4) “sale date” means the date of execution of this Purchase Contract by all parties.

5. **Review of Official Statement.**

A. The Underwriter hereby represents that it has received and reviewed the official statement in preliminary form with respect to the Certificates, dated [______, 2020] (the “Preliminary Official Statement”). The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revisions to or additions of the initial public offering prices, interest rates, yields, selling compensation, aggregate principal amount,
principal amount per maturity, delivery date, ratings, credit enhancement and other terms of the Certificates which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (“Rule 15c2-12”).

B. References herein to the Preliminary Official Statement and the Official Statement include the cover page through all appendices, exhibits, reports and statements included therein or attached thereto, as the same may be amended or supplemented from time to time.

6. Closing

A. At [Closing Time], California Time, on [Closing Date], or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (the “Closing,” or the “Closing Date”), the District will direct the Trustee and registrar of the Certificates, to deliver to the account of the Underwriter, through the facilities of DTC, or at such other place as the District and the Underwriter may mutually agree upon, the Certificates duly executed and in fully registered, book-entry form, and will cause the other documents hereinafter mentioned pertaining to the Certificates to be delivered at the offices of Hawkins Delafield & Wood LLP, Special Counsel (“Special Counsel”) in Los Angeles, California or at such other place as shall have been mutually agreed upon by the parties hereto.

B. Upon fulfillment of all conditions to Closing herein, the Underwriter will accept such delivery and pay the Purchase Price thereof in immediately available funds (by check, wire transfer or such other manner of payment as the Underwriter and the Chief Financial Officer of the District shall reasonably agree upon) to the order of the District and U.S. Bank National Association, as cost administrator, as provided by Section 1 hereof, less the Good Faith Deposit, as provided by Section 2 hereof.

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

A. The District is a unified school district validly existing under the laws of the State of California (the “State”), with the power to execute and deliver the Certificates.

B. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the execution and delivery of the Certificates; (ii) the District has full legal right, power and authority to execute and deliver this Purchase Contract, the Site Lease, the Lease Agreement, the Trust Agreement, the Escrow Agreement and the Continuing Disclosure Certificate (as defined below), to adopt the District Resolution, to execute and to deliver the Certificates, and to perform its obligations under each such document or instrument (collectively, the “District Documents”), and to carry out and effectuate the transactions contemplated by the District Documents; (iii) the execution and delivery or adoption of, and the performance by the District of its obligations contained in, the Certificates and the other District Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract constitutes, and each of the Certificates, when executed, authenticated, delivered and sold to the Underwriter as provided herein, and each of the other District Documents, when duly executed and delivered, will constitute, a valid and legally binding obligation of the
District, enforceable against the District in accordance with its terms; and (v) the District has duly authorized the consummation by it of all transactions contemplated by the District Documents.

C. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the execution, delivery or sale of the Certificates or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

D. The District is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the execution of the Certificates or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would adversely affect the transactions contemplated hereby, a default or event of default by the District under any of the foregoing.

E. The execution and delivery of the Certificates, the adoption, execution, delivery and performance of the District Documents, and the compliance with the provisions of the District Documents do not conflict with or result in on the part of the District a violation or breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, where such conflict, violation, breach or default, individually or in the aggregate, shall result in a material adverse change to the District that materially and adversely affects the ability of the Underwriter to market the Certificates or enforce contracts of sale on the Certificates.

F. As of the time of acceptance hereof, except as provided in the Official Statement, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the District) or, to the best knowledge of the District, after due investigation, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, execution or delivery of any of the Certificates, the application of the proceeds of the sale of the Certificates, or in any way contesting or affecting the validity or enforceability of the Certificates or the other District Documents or contesting the powers of the District or its authority with respect to the Certificates or the other District Documents; (iii) contesting the completeness or accuracy of the Preliminary Official Statement; or (iv) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by the District Documents, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Certificates from gross
income for federal income tax purposes or the exemption of the interest paid on the Certificates from State personal income taxation.

G. Between the date hereof and the Closing, without the prior written consent of the Underwriter, the District will not have issued in the name of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement.

H. The Preliminary Official Statement was as of its date (excluding information permitted to be omitted pursuant to Rule 15c2-12), and the Official Statement is, and at all times subsequent to the date of the Official Statement (or in the case of any amendment to the Official Statement pursuant to Section 7. L. of this Purchase Contract, at the date of the delivery of the Official Statement, as amended) up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain, and up to and including the Closing will contain, no untrue statement of any material fact and do not, and up to and including the Closing will not, omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. At the time of the Closing, there shall not have been any material adverse changes in the financial condition of the District since the date of the Official Statement;

I. To assist the Underwriter in complying with Rule 15c2-12, the District will undertake, pursuant to the District Resolution and the Continuing Disclosure Certificate dated the Closing Date (the “Continuing Disclosure Certificate”), to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will be set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement, the District has not failed to comply in all material respects with any of its prior disclosure undertakings pursuant to Rule 15c2-12 in the last five years.

J. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same in such person’s individual capacity, as to the statements made therein;

K. Preparation and distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the District, and at the time of delivery of the Official Statement (or in the case of any amendment to the Official Statement pursuant to Section 7. L. of this Purchase Contract, at the time of the delivery of the Official Statement, as amended) to the Underwriter and at all times subsequent thereto up to and including the Closing Date, the information contained therein (excluding the statements and information in Appendix C – “Book-Entry Only System” and any information provided by the Underwriter in writing for inclusion in the Official Statement) will be true and correct in all material respects and such information will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

L. The District agrees that if at any time before the Closing any event occurs as a result of which the Official Statement as then in effect would include any untrue statement of
a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, then the District shall promptly prepare or cause to be prepared and furnish (at the expense of the District) an amendment or supplement to the Official Statement that will correct such statement or omission. The District will advise the Underwriter promptly of any proposal to so amend or supplement the Official Statement and will effect such amendment or supplement in a form and manner approved by the Underwriter.

M. The audited financial statements of the District for the fiscal year ended June 30, 2019 (selected information from which is included as Appendix B to the Official Statement) were prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position and results of operation of the District for the period and at the date set forth therein, and there has been no material adverse change in the business, affairs, financial position, results of operations or condition, financial or otherwise, of the District since the date of such financial statements, except as otherwise disclosed in the Official Statement.

N. The District Resolution has been duly adopted, has not been modified, repealed or rescinded in any respect, and is in full force and effect.

8. **Covenants of the District.** The District covenants and agrees with the Underwriter that:

A. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, as the Underwriters may reasonable request, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof.

B. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the earlier of (i) the third (3rd) business day preceding the Closing Date or (ii) the seventh (7th) business day following the date this Purchase Contract is signed, the Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District, in “designated electronic format” (as defined in Rule G-32 of the MSRB), and in printed form in such reasonable quantities as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12 and with the rules of the MSRB.

C. The District hereby agrees to promptly notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Preliminary Official Statement or the Official Statement relating to the District until the date which is twenty-five (25) days following the Closing.

D. If at any time prior to the expiration of twenty-five (25) days following the “end of the underwriting period” (as defined in Rule 15c2-12), any event known to the District relating to or affecting the District or the Certificates occurs which might cause the Official
Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the District will promptly notify the Underwriter in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the reasonable opinion of Orrick, Herrington & Sutcliffe LLP, Disclosure Counsel to the District (“Disclosure Counsel”), or the Underwriter, to amend or supplement the Official Statement so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and if either shall have so advised the District, the District will forthwith cooperate with the Underwriter in the prompt preparation and furnishing to the Underwriter, at the expense of the District, of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance satisfactory to the Underwriter, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The District will presume that unless otherwise notified in writing by the Underwriter, the end of the underwriting period will occur on the date of delivery of the Certificates; and

E. To assist the Underwriter in complying with Rule 15c2-12 and for the benefit of the holders and beneficial owners of the Certificates, the District will undertake to provide annual reports and notices of certain events pursuant to a continuing disclosure certificate dated the date of Closing (the “Continuing Disclosure Certificate”).

9. **Representations, Warranties and Agreements of the Corporation.** The Corporation hereby covenants, represents, warrants and agrees that:

A. The Corporation is a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State.

B. (i) At or prior to the Closing, the Corporation will have taken all action required to be taken by it to authorize the execution and delivery of the Certificates; (ii) the Corporation has full legal right, power and authority to execute and deliver this Purchase Contract, the Site Lease, the Lease Agreement, the Trust Agreement, the Assignment Agreement, to adopt the Corporation Resolution and to perform its obligations under each such document or instrument (collectively, the “Corporation Documents”), and to carry out and effectuate the transactions contemplated by the Corporation Documents; (iii) the execution and delivery or adoption of, and the performance by the Corporation of its obligations contained in the Corporation Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract constitutes and each of the other Corporation Documents, when duly executed and delivered, will constitute, a valid and legally binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms; and (v) the Corporation has duly authorized the consummation by it of all transactions contemplated by the Corporation Documents.

C. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is
required in connection with the execution, delivery or sale of the Certificates or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the Corporation shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

D. The Corporation is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the execution of the Certificates or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Corporation is a party or to which the Corporation or any of its property or assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would adversely affect the transactions contemplated hereby, a default or event of default by the Corporation under any of the foregoing.

E. The adoption, execution, delivery and performance of the Corporation Documents, and the compliance with the provisions of the Corporation Documents do not conflict with or result in on the part of the Corporation a violation or breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Corporation is a party or to which the Corporation or any of its property or assets is otherwise subject, where such conflict, violation, breach or default, individually or in the aggregate, shall result in a material adverse change to the Corporation that materially and adversely affects the ability of the Underwriter to market the Certificates or enforce contracts of sale on the Certificates.

F. As of the time of acceptance hereof, except as provided in the Official Statement, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the Corporation) or, to the best knowledge of the Corporation, after due investigation, threatened against the Corporation: (i) in any way affecting the existence of the Corporation or in any way challenging the respective powers of the several offices or the titles of the officials of the Corporation to such offices; or (ii) seeking to restrain or enjoin the sale, execution or delivery of any of the Certificates, the application of the proceeds of the sale of the Certificates, or in any way contesting or affecting the validity or enforceability of the Certificates or the Corporation Documents or contesting the powers of the Corporation or its authority with respect to the Corporation Documents; (iii) contesting the completeness or accuracy of the Preliminary Official Statement; or (iv) in which a final adverse decision could (a) materially adversely affect the operations of the Corporation or the consummation of the transactions contemplated by the Corporation Documents, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest evidenced on the Certificates from gross income for federal income tax purposes or the exemption of the interest evidenced on the Certificates from State personal income taxation.

G. The statements and information relating to the Corporation contained in the Preliminary Official Statement was as of its date (excluding information permitted to be omitted
pursuant to Rule 15c2-12), and the Official Statement is, and at all times subsequent to the date of
the Official Statement (or in the case of any amendment to the Official Statement pursuant to
Section 7. L. of this Purchase Contract, at the date of the delivery of the Official Statement, as
amended) up to and including the Closing will be, true and correct in all material respects, and the
Preliminary Official Statement and the Official Statement contain, and up to and including the
Closing will contain, no untrue statement of any material fact and do not, and up to and including
the Closing will not, omit to state a material fact necessary in order to make the statements made
therein, in the light of the circumstances under which they were made, not misleading;

H. Any certificates signed by any officer of the Corporation and delivered to
the Underwriter shall be deemed a representation and warranty by the Corporation to the
Underwriter, but not by the person signing the same in such person’s individual capacity, as to the
statements made therein;

I. Preparation and distribution of the Official Statement has been duly
authorized by the Corporation.

J. The Corporation agrees that if at any time before the Closing any event
occurs as a result of which the Official Statement as then in effect would include any untrue
statement of a material fact or omit to state a material fact necessary in order to make the statements
made therein, in the light of the circumstances under which they were made, not misleading, then
the Corporation shall promptly prepare or cause to be prepared and furnish (at the expense of the
Corporation) an amendment or supplement to the Official Statement that will correct such
statement or omission. The Corporation will advise the Underwriter promptly of any proposal to
so amend or supplement the Official Statement and will effect such amendment or supplement in
a form and manner approved by the Underwriter.

K. The Corporation Resolution has been duly adopted, has not been modified,
repealed or rescinded in any respect, and is in full force and effect.

10. **Representations, Warranties and Agreements of the Underwriter.** The
Underwriter represents to and agrees with the District that, as of the date hereof and as of the date
of Closing:

A. The Underwriter is duly authorized to take all actions, and waive any
condition or requirement, required or permitted to be taken or waived hereunder by the
Underwriter or the Underwriter.

B. The Underwriter has, and has had, no financial advisory relationship (as
such term is defined in California Government Code Section 53590) with the District with respect
to the Certificates, and no investment firm controlling, controlled by or under common control
with the Underwriter has or has had any such financial advisory relationship (as such term is
defined in California Government Code Section 53590).

C. The Underwriter shall comply with all statutes, rules and regulations of all
governmental entities in connection with the offering and sale of the Certificates.
11. **Underwriter Not Acting as Agents, Advisors or Fiduciaries.** The District and
the Corporation acknowledges and agrees that:

A. the Underwriter is not acting as municipal advisor within the meaning of
Section 15B of the Securities and Exchange Act of 1934, as amended;

B. the primary role of the Underwriter is to purchase securities, for resale to
investors, in an arm’s-length commercial transaction between the District and the Corporation and
the Underwriter has financial and other interests that differ from those of the District;

C. in connection therewith and with the discussions, undertakings and
procedures leading up to the consummation of such transaction, the Underwriter is and has been
acting solely as a principal and is not acting as an agent, municipal advisor, financial advisor or
fiduciary of the District or the Corporation, nor has the Underwriter assumed an advisory or
fiduciary responsibility in favor of the District or the Corporation;

D. the only contractual obligations the Underwriter has to the District and the
Corporation with respect to the transaction contemplated hereby are set forth in this Purchase
Contract; and

E. the District and the Corporation have consulted their own legal, financial,
municipal and other advisors to the extent they have deemed appropriate.

12. **Conditions to Closing.** The Underwriter has entered into this Purchase Contract in
reliance upon the representations and warranties of the District and the Corporation contained
herein and the performance by the District and the Corporation of their obligations hereunder, both
as of the date hereof and as of the date of Closing. The Underwriter’s obligations under this
Purchase Contract are and shall be subject, at the option of the Underwriter, to the following further
conditions at the Closing:

A. The representations and warranties of the District and the Corporation
contained herein shall be true, complete and correct at the date hereof and at and as of the Closing,
as if made at and as of the Closing, and the statements made in all certificates and other documents
delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct on
the date of the Closing; and the District and the Corporation shall be in compliance with the
agreements made by them in this Purchase Contract.

B. At the time of the Closing, (i) the District Documents and the Corporation
Documents shall be in full force and effect and the Resolutions and the Official Statement shall
not have been amended, modified or supplemented except as may have been agreed to in writing
by the parties hereto; (ii) all actions which, in the opinion of Special Counsel, shall be necessary
in connection with the transactions contemplated hereby, shall have been duly taken and shall be
in full force and effect; (iii) the District and the Corporation shall have adopted, and there shall be
in full force and effect such additional resolutions, agreements, opinions and certificates (including
such certificates as may be required by regulations of the Internal Revenue Service in order to
establish the tax exempt character of the interest evidenced on the Certificates), which resolutions,
agreements, opinions and certificates shall be satisfactory in form and substance to Special
Counsel and to the Underwriter, and there shall have been taken in connection therewith and in
connection with the execution and delivery of the Certificates all such actions as shall, in the reasonable opinion of each, be necessary in connection with the transactions contemplated hereby; (iv) all actions under the Resolutions which, in the opinion of Special Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (v) the Certificates shall have been duly authorized, executed and delivered; (vi) the District shall perform or have performed all of its obligations required under or specified in the District Documents to be performed at or prior to the Closing; and (vii) the Corporation shall perform or have performed all of its obligations required under or specified in the Corporation Documents to be performed at or prior to the Closing.

C. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District and the Corporation, after due investigation, be pending (in which service of process has been completed against the District) or threatened which has any of the effects described in Section 7(F) hereof or contests in any way the completeness or accuracy of either the Preliminary Official Statement or the Official Statement.

D. Between the date hereof and the Closing, the market for or the market price or marketability of the Certificates or the ability of the Underwriter to enforce contracts for the sale of the Certificates at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected, in the sole opinion of the Underwriter, by reason of any of the following:

1. legislation enacted by the Congress of the United States, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

   (i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Certificates in the hands of the holders thereof; or

   (ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Certificates, or obligations of the general character of the Certificates, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Resolutions are not exempt from qualification under the Trust Indenture Act of 1939, as amended;

2. the declaration of war or engagement in major military hostilities or escalation of hostilities by the United States or the occurrence or escalation of any other State, national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;
(3) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue or a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, or a material disruption in commercial banking or securities settlement or clearance services shall have occurred;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Certificates, or obligations of the general character of the Certificates, or securities generally, or the material increase of any such restrictions now in force;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the execution, offering or sale of obligations of the general character of the Certificates, or the execution, offering or sale of the Certificates, as contemplated hereby or by the Official Statement, is or would be in violation of the Federal securities laws, as amended and then in effect or any proceeding shall have been commenced, against the District, in connection with Certificates or obligations of the general character of the Certificates of the District, by the Securities and Exchange Commission or other governmental agency having jurisdiction over the execution, offering or sale thereof;

(6) any rating of the Certificates has been downgraded, suspended or withdrawn by a national rating service that rated the Certificates or a negative qualification (e.g., a credit watch or negative designation) or other announcement has been made by a national rating service that rated the Certificates that the Certificates are under review without indication of a potentially favorable result, which, in the reasonable opinion of the Underwriter, materially adversely affects the marketability or market price of the Certificates;

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(8) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the District.

E. At or prior to the date of the Closing, the Underwriter shall have received the following documents, in each case dated as of the Closing Date unless otherwise specified herein and satisfactory in form and substance to the Underwriter:
(1) The approving opinion of Special Counsel with respect to the Certificates, dated the Closing Date and addressed to the District, substantially in the form attached as Appendix D to the Preliminary Official Statement;

(2) A reliance letter from Special Counsel addressed to the Underwriter to the effect that the Underwriter may rely upon the approving opinion of Special Counsel described in E. (1) above;

(3) A supplemental opinion of Special Counsel in a form acceptable to the Underwriter, dated the Closing Date and addressed to the Underwriter, to the effect that:

(i) assuming due authorization, execution and delivery by all the parties thereto, the Resolutions, this Purchase Contract, the Escrow Agreement and the Continuing Disclosure Certificate have each been duly authorized, executed and delivered by the respective parties thereto and constitute legal, valid and binding obligations of the District and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws affecting generally the enforcement of creditors’ rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought (provided that no opinion need be rendered regarding the adequacy of the Continuing Disclosure Certificate for purposes of the Rule) and by limitations on the enforcement of legal remedies against public agencies in the State;

(ii) the statements contained in the Official Statement under the captions “The Certificates” (excluding any and all information relating to The Depository Trust Company and its book-entry system and the County Treasury Pool set forth in Appendix F), “Security and Sources of Payment for the Certificates – General Description” and “Tax Matters,” excluding any material that may be treated as included under such captions by cross-reference, to the extent they purport to summarize certain provisions of the Certificates, the Resolutions and the exclusion from gross income of interest evidenced on the Certificates for federal income tax purposes or the exemption of the interest evidenced on the Certificates for State income tax purposes, fairly and accurately summarize the matters purported to be summarized thereto; and

(iii) the Certificates are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolutions are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(4) A defeasance opinion of Special Counsel, dated the Closing Date and addressed to the District, to the effect that, upon the deposit of cash and certain proceeds of the Certificates into the escrow fund established under the Escrow Agreement as provided in the resolutions pursuant to which the Certificates were executed, and the investment of money and securities in accordance with the provisions of the Escrow Agreement, the Prior 2010 Certificates will have been satisfied and discharged and are no longer outstanding under said resolutions. In rendering this opinion, Special Counsel may rely on a verification report as to the mathematical accuracy of the schedules with respect to the sufficiency of the escrow fund established to pay the
Prior 2010 Certificates and will not independently verify the accuracy of the information contained in the verification report;

(5) The duly executed Escrow Agreement and Continuing Disclosure Certificate;

(6) The Verification Report;

(7) A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Contract, the Escrow Agreement, the Official Statement and the Continuing Disclosure Certificate, (ii) the representations, agreements and warranties of the District herein are true and correct as of the date of Closing, (iii) the District has complied with all the terms of the District Documents to be complied with by the District prior to or concurrently with the Closing and the District Documents are in full force and effect, (iv) no litigation is pending (with service of process having been accomplished) or, to the best of the District’s knowledge, after due investigation, threatened (either in state or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Certificates, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Certificates, the Official Statement, the Escrow Agreement, the Continuing Disclosure Certificate or this Purchase Contract, or (C) in any way contesting the existence or powers of the District; (v) such official has reviewed the Preliminary Official Statement and the Official Statement and on such basis certifies that the Preliminary Official Statement, as of its date, and the Official Statement, as of its date and as of the Closing Date, did not and do not, respectively, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (vi) each of the conditions listed in Section 12 of this Purchase Contract required to be satisfied by the District has been satisfied on the date thereof and the District is not aware of any other condition of this Purchase Contract that has not been satisfied on the date thereof, and (vii) the Certificates being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the District Resolution, the Official Statement and this Purchase Contract.

(8) A certificate of the Escrow Bank dated the date of the Closing, signed by a duly authorized officer of the Escrow Bank, and in form and substance satisfactory to the Underwriter, to the effect that:

(i) to the best of such officer’s knowledge, the representations and agreements of the Escrow Bank in the Escrow Agreement to which the Escrow Bank is a party are true and correct as of the date of the Closing;

(ii) the Escrow Agreement has been duly authorized, executed and delivered and, assuming due execution by the other parties thereto, is enforceable against the Escrow Bank in accordance with its terms; and

(iii) to the best of such officer’s knowledge, no litigation is pending or threatened (either in state or federal courts) in any way contesting or affecting any authority of the Escrow Bank for or in connection with its performance of the Escrow Agreement;
(9) A tax certificate of the District in form satisfactory to Special Counsel with respect to the Certificates;

(10) Evidence satisfactory to the Underwriter that any ratings described in the Official Statement are in full force and effect as of the Closing Date;

(11) The opinion of General Counsel to the District, addressed to the District and the Underwriter, dated the Closing Date, to the effect that:

   (i) the District is a unified school district validly existing under the Constitution and the laws of the State;

   (ii) the District has the full right and lawful authority to enter into and perform its duties and obligations under the District Documents and to authorize the execution and sale of the Certificates;

   (iii) to the best knowledge of General Counsel to the District, after due investigation, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending, or to such counsel’s knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement or the due adoption of the District Resolution, and there is no breach or default by the District under any other instruments which is caused by the execution of the Certificates or the execution and delivery of this Purchase Contract, the Escrow Agreement or the Continuing Disclosure Certificate;

   (iv) General Counsel to the District is not representing the District in connection with any litigation of any nature to restrain or enjoin the execution, delivery or performance of the District Documents, the Certificates or any of the proceedings taken with respect to the execution of the Certificates, the application of monies to the payment of the Certificates or in any manner questioning the proceedings and authority under which the Certificates were authorized or challenging the validity of the Certificates, the existence or boundaries of the District or the title of the officials of the District who have acted with respect to the proceedings for the execution of the Certificates on behalf of the District to their respective offices; and

   (v) the Official Statement has been duly approved by the District;

(12) The opinion of Nixon Peabody LLP, counsel for the Underwriter (“Underwriter’s Counsel”), dated the date of Closing and addressed to the Underwriter, satisfactory in form and substance to the Underwriter;

(13) The opinion of Disclosure Counsel substantially in the form attached hereto as Exhibit B, subject to the satisfaction of the Underwriter, dated the date of Closing and addressed to the District and a reliance letter from Disclosure Counsel addressed to the Underwriter to the effect that the Underwriter may rely upon the opinion of Disclosure Counsel;
(14) A certificate, together with a fully executed copy of the District Resolution, of the Executive Officer of the Board of Education to the effect that:

(i) such copy is a true and correct copy of such District Resolution; and

(ii) that the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(15) A certificate of the District evidencing the District’s determination respecting the Preliminary Official Statement in accordance with Rule 15c2-12;

(16) A transcript of all proceedings relating to the authorization, execution and delivery of the Certificates;

(17) A certificate of the Corporation, dated the Closing Date, signed by an official of the Corporation as may be acceptable to the Underwriter, and in form and substance satisfactory to the Underwriter, to the effect that:

(i) the Corporation Documents have each been validly authorized and duly executed and delivered by officers of the Corporation designated for such purpose in the Corporation Resolution, and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid and binding obligations of the Corporation, enforceable in accordance with their respective terms; provided, however, that the representation as to enforceability may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditor’s rights and may be subject to general principals of equity;

(ii) the representations and agreements of the Corporation contained in the Corporation Documents are true and correct as of and as if made on the Closing Date;

(iii) the Corporation has complied with all agreements, covenants and conditions to be complied with by the Corporation on or prior to the Closing Date under the Corporation Documents;

(iv) the Articles of Incorporation of the Corporation, as filed in the Office of the Secretary of State of the State of California on August 18, 2000, have not been amended in any respect since said date and continue to be in full force and effect on the date of this Certificate, and the Corporation is not in violation of any provisions of such Articles or the Bylaws described in the Corporation’s certificate;

(v) no litigation is pending (with service of process completed on the District) or, to the best of such official’s knowledge, threatened (either in state or federal courts) in any way affecting the existence of the Corporation, or seeking to restrain or to enjoin the execution, delivery or sales of the Certificates, or in any way contesting or affecting (A) the validity or enforceability of the Corporation Documents, (B) the completeness or accuracy of information relating to the Corporation in the Preliminary Official Statement and the Official
Statement, (C) the powers of the Corporation or its authority with respect to the Corporation Documents, or (D) the tax status of the interest with respect to the Certificates pursuant to the Internal Revenue Code of 1986, as amended;

(vi) except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry, or investigation before or by any court or public board or body pending (with service of process completed on the Corporation) or, to such counsel’s knowledge, threatened wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated by the Certificates, the Corporation Documents or any other agreement, document, or certificate related to such transaction; and

(vii) such official has reviewed the Preliminary Official Statement and the Official Statement and on such basis certifies that the Preliminary Official Statement, as of its date, and the Official Statement, as of its date and as of the Closing Date, did not and do not, respectively, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(18) the opinion of Hawkins Delafield & Wood LLP, as counsel to the Corporation, addressed to the Corporation, the Trustee and the Underwriter, dated the Closing Date, to the effect that:

(i) the Corporation is a nonprofit public benefit corporation organized and existing under and by virtue of the laws and the Constitution of the State and has full legal power and lawful authority to execute and deliver and perform all obligations under the Corporation Documents;

(ii) the Corporation Resolution has been duly adopted at a meeting of the Board of Directors of the Corporation, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the Corporation Resolution is in full force and effect and has not been modified, amended or rescinded;

(iii) the Corporation has duly authorized, executed and delivered the Corporation Agreements and, assuming due authorization, execution and delivery by the parties thereto other than the Corporation, the Corporation Documents constitute the legally valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, and other laws, affecting creditors’ rights or remedies generally and are subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law) and to the exercise of judicial discretion in appropriate cases and to the limitation on legal remedies against public entities in the State; and

(iv) no authorization, approval, consent, or order of any governmental agency or, to the best of such counsel’s knowledge, any other person or corporation is required for the valid authorization, execution and delivery of the Corporation Agreements on behalf of the Corporation that has not been obtained;
(19) A certificate, together with a fully executed copy of the Corporation Resolution, of the [President] of the Board of Directors of the Corporation to the effect that:

   (i) such copy is a true and correct copy of such Corporation Resolution; and

   (ii) that the Corporation Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(20) A copy of the Certificate of Status issued by the Secretary of State of the State of California and tax status from the California Franchise Tax Board, a certified copy of the Articles of Incorporation of the Corporation and a certified copy of the Bylaws of the Corporation;

(21) [A copy of the Insurance Policy, together with an opinion of counsel to the Insurer, dated the date of Closing and addressed to the District and the Underwriter, in form and substance acceptable to the Underwriter, and a certificate of the Insurer, dated the date of Closing, in form and substance acceptable to the Underwriter, regarding, among other matters, disclosure, no default and tax matters;]

(22) the opinion of counsel to the Trustee, substantially in the form attached hereto as Exhibit C, subject to the satisfaction of the Underwriter, dated the date of the closing and addressed to the District, the Corporation and the Underwriter;

(23) a certificate of the Trustee dated the Closing Date, signed by a duly authorized officer of the Trustee, and in form and substance satisfactory to the Representative, to the effect that:

   (i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Trust Agreement and the Assignment Agreement and to execute and deliver the Certificates to the Underwriter pursuant to the Trust Agreement;

   (ii) when delivered to and paid for by the Underwriter on the Closing Date, the Certificates will have been duly executed and delivered by the Trustee;

   (iii) the execution and delivery of the Trust Agreement and the Assignment Agreement, and compliance with the provisions on the Trustee’s part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, material agreement or other material instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Trust Agreement under the terms of
any such law, administrative regulation, judgment, decree, material agreement or other material instrument, except as provided by the Trust Agreement; and

(iv) to the knowledge of the Trustee, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental or public entity pending or threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution and delivery of the Certificates by the Trustee, or in any way contesting or affecting the validity or enforceability of the Trust Agreement or the Assignment Agreement against the Trustee, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trust Agreement or the Assignment Agreement or the ability of the Trustee to perform its obligations thereunder;

(24) evidence satisfactory to the Underwriters of the issuance of the title insurance policy or policies covering the Property in accordance with the Lease Agreement and of such other insurance policies as are required under the Lease Agreement and Trust Agreement;

(25) evidence of compliance with Section 17150 of the California Education Code; and

(26) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the District, the Corporation and the Trustee with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District and Corporation herein contained, and (iii) the due performance or satisfaction by the District, the Corporation and the Trustee at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by them.

If the District or the Corporation shall be unable to satisfy the conditions to the Underwriter’s obligations contained in this Purchase Contract or if the Underwriter’s obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or electronic communication, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District and Corporation hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

13. **Conditions to Obligations of the District and Corporation.** The performance by the District and the Corporation of their obligations are conditioned upon (i) the performance by the Underwriter of its obligations hereunder and (ii) receipt by the District, the Corporation and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the District or Corporation.
14. **Expenses.** On the Closing Date, the Underwriter will wire $__________ from the proceeds of the Certificates and as a portion of the Purchase Price of the Certificates as provided in Section 1 hereof to U.S. Bank National Association, as cost administrator, to be used to pay costs of execution of the Certificates, including, but not limited to the following at the direction of the District: (i) the costs of the preparation and reproduction of the Resolutions; (ii) the fees and disbursements of Special Counsel, Disclosure Counsel and the Municipal Advisor; (iii) the cost of the preparation, printing and delivery of the Certificates; (iv) the fees for Bond ratings, including all necessary expenses for travel outside of California; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement, and any supplement or amendment thereto; (vi) costs, fees and expenses related to the presentation to investors; (vii) the initial fees of the Trustee; and (viii) all other fees and expenses incident to the execution and sale of the Certificates or the performance of its obligations hereunder. All out-of-pocket expenses of the Underwriter, including Underwriter’s Counsel, California Debt and Investment Advisory Commission fees, CUSIP Service Bureau registration fees, MSRB fees, expenses for travel and other expenses of the Underwriter, shall be paid by the Underwriter; provided, however, that the District and the Corporation shall pay for expenses incurred on behalf of the District and Corporation employees in connection with implementing this Purchase Contract, including, but not limited to, meals, transportation, and lodging of District and Corporation employees, if any.

15. **Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the Chief Financial Officer of the Los Angeles Unified School District, 333 S. Beaudry Avenue, 26th Floor, Los Angeles, California 90017, or if to the Underwriter, to UBS Financial Services Inc. at 515 S. Flower Street, Los Angeles, California 90071, Attention: Shawn Dralle.

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

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

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

19. **Applicable Law.** This Purchase Contract shall be interpreted, governed and enforced in accordance with the law of the State applicable to contracts made and performed in such State.
Very truly yours,

UBS FINANCIAL SERVICES INC.

By: ________________________________
    Underwriter

UBS FINANCIAL SERVICES INC.

By: ________________________________
    Underwriter

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: ________________________________

LAUSD FINANCING CORPORATION

By: ________________________________
    Secretary
EXHIBIT A

MATURITY SCHEDULES AND REDEMPTION PROVISIONS

LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)

$[Principal Amount]
Refunding Certificates of Participation, 2020 Series A
Evidencing Proportionate and Undivided Interests of the Owners
thereof in Lease Payments to be made by the
Los Angeles Unified School District

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Yield</th>
<th>Price</th>
<th>10% Test Satisfied*</th>
<th>10% Test Not Satisfied</th>
<th>Undersold Maturities</th>
</tr>
</thead>
</table>

S ________ – ___ % Term Certificates due July 1, 20__ – Yield _____% - Price ____
[10% Test Satisfied]*

* At the time of the execution of this Purchase Contract and assuming orders are confirmed immediately after the execution of this Purchase Contract.
PREPAYMENT PROVISIONS

Optional Prepayment. The Certificates maturing on or after October 1, 20[___], are subject to optional prepayment prior to maturity on or after October 1, 20[___], at the option of the District, as a whole or in part on any date, from amounts deposited with the Trustee by the District, at a prepayment price equal to 100%, plus accrued but unpaid interest to the prepayment date.

Extraordinary Prepayment. The Certificates are subject to prepayment on any Business Day, in whole or in part, from Net Proceeds of condemnation or any insurance award resulting from defect of title, damage or destruction of all or a portion of the Property which the Trustee shall transfer to the Prepayment Fund at least forty-five (45) days prior to such date of prepayment and credited towards the Prepayment made by the District pursuant to the Lease Agreement, at a prepayment price equal to the principal amount of Certificates prepaid together with accrued interest to the date fixed for prepayment, without premium.

Mandatory Sinking Account Prepayment. The Certificates with a stated principal payment date of October 1, 20[___] (the “20[___] Term Certificates”) are subject to prepayment prior to such stated principal payment date, in part, from mandatory sinking account payments, on each October 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such 20[___] Term Certificates to be so prepaid and the dates therefor will be as follows:

<table>
<thead>
<tr>
<th>Prepayment Date (October 1)</th>
<th>Principal To Be Prepaid $</th>
</tr>
</thead>
<tbody>
<tr>
<td>†</td>
<td></td>
</tr>
</tbody>
</table>

† Stated Principal Payment Date
EXHIBIT B
FORM OF OPINION OF DISCLOSURE COUNSEL

[Closing Date]

Los Angeles Unified School District
Los Angeles, California

UBS Financial Services Inc.
San Francisco, California

Refunding Certificates of Participation, 2020 Series A
Evidencing Proportionate and Undivided Interests of the Owners
thereof in Lease Payments to be made by the
Los Angeles Unified School District
(Disclosure Counsel Opinion)

Ladies and Gentlemen:

We have acted as disclosure counsel to the Los Angeles Unified School District (the “District”) in connection with the execution and delivery of $[_________] aggregate principal amount of Los Angeles Unified School District Refunding Certificates of Participation, 2020 Series A (the “Certificates”). The Certificates are executed and delivered pursuant to a Trust Agreement, dated as of [_________] 1, 2020 (the “Trust Agreement”), by and among The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), as trustee, the LAUSD Financing Corporation (the “Corporation”) and the District.

In that connection, we have reviewed certain portions of a printed copy of the Official Statement, dated [_________] 2020, relating to the Certificates (the “Official Statement”), the Site Lease, dated as of [_________] 1, 2020 (the “Site Lease”), by and between the District and the Corporation, the Lease Agreement, dated as of [_________] 1, 2020 (the “Lease Agreement”), by and between the District and the Corporation, the Assignment Agreement, dated as of [_________] 1, 2020 (the “Assignment Agreement”), by and between the Corporation and the Trustee, the Trust Agreement, the Contract of Purchase, dated [_________], 2020, by and between the District and UBS Financial Services Inc. (the “Underwriter”), certificates of the District, the Corporation, the Trustee and others, and the opinions delivered in connection with the execution and delivery of the Certificates, and we have made such investigations of law as we have deemed appropriate as a basis for the conclusion hereinafter expressed. We do not assume any responsibility for any electronic version of the Official Statement, and assume that any such version is identical in all respects to the printed version. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Official Statement.

In arriving at the conclusion hereinafter expressed, we are not expressing any opinion or view on, and with your permission are assuming and relying on, without independent assessment or inquiry, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above, including the accuracy of all factual matters represented and legal
conclusions contained therein, including, without limitation, any representations and legal conclusions regarding the valid existence of the District and the Corporation, the due authorization, execution, delivery, validity and enforceability of the Certificates and the exclusion of the portion of Lease Payments designated as and constituting interest evidenced by the Certificates from gross income for federal income tax purposes, and the legality, validity and enforceability of the Site Lease, the Lease Agreement, the Assignment Agreement and the Trust Agreement, and any laws, documents or instruments that may be related to the authorization, execution, delivery, payment or security of the Certificates. We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine. Our conclusions are limited to matters of federal securities laws, and we assume no responsibility with respect to the applicability or effect of any other laws. Our services did not include financial or other non-legal advice.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as disclosure counsel to the District, to assist the Underwriter in part of their responsibility with respect to the Official Statement, we participated in conferences with representatives of the District, the Corporation, their respective counsel, Public Resources Advisory Group, as municipal advisor to the District (the “Municipal Advisor”), Hawkins Delafield & Wood LLP, as special counsel, the Underwriter, Nixon Peabody LLP as underwriter’s counsel, the Trustee, and others, during which the contents of the Official Statement and related matters were discussed. Based on our participation in the above-mentioned conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon, on oral and written statements and representations of the District and others and on the records, documents, certificates, opinions and matters herein mentioned, we advise you as a matter of fact and not opinion that, during the course of our role as disclosure counsel with respect to the Certificates, no facts came to the attention of the attorneys in our firm rendering legal services in connection with such role which caused us to believe that the Official Statement as of its date and as of the time of closing of the sale of the Certificates to the Underwriter on the date hereof (except for any CUSIP numbers, financial, accounting, statistical, economic or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about verification, valuation, appraisals, real estate, environmental matters, relationships among the parties, litigation, The Depository Trust Company or its book-entry, Cede & Co., ratings, rating agencies, the Municipal Advisor, the Underwriter or underwriting, [the Insurance Policy, the Insurer,] tax exemption or any other federal, state or local tax consequences arising with respect to the Certificates or the ownership or disposition thereof, any management discussion and analysis, any statements about compliance with prior continuing disclosure undertakings, and Appendices B, C, D, F, G [and H – if Insurance Policy attached to OS], included or referred to therein or omitted therefrom, which we expressly exclude from the scope of this paragraph and as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Official Statement.
By acceptance of this letter you recognize and acknowledge that (a) the preceding paragraph is not an opinion but in the nature of negative observations based on certain limited activities performed by specific lawyers in our firm in our role as disclosure counsel, and is provided to the Underwriter as part (subsidiary to the part performed by the Underwriter and its counsel) of their responsibilities under certain securities laws, (b) the scope of those activities performed by us were inherently limited and do not purport to encompass all activities that the District or the Underwriter may be responsible to undertake, (c) those activities performed by us rely on third party representations, warranties, certifications and opinions, including and primarily, representations, warranties and certifications made by the District, and are otherwise subject to the conditions set forth herein, and (d) this letter may not be sufficient for or appropriate to your purposes.

This letter is furnished by us as disclosure counsel to the District in connection with the original execution and delivery of the Certificates on the date hereof. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the execution and delivery of the Certificates or by virtue of this letter. Our engagement with respect to this matter has terminated as of the date hereof, and we disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Certificates or by any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP
EXHIBIT C

TRUSTEE’S COUNSEL OPINION

Los Angeles Unified School District
Los Angeles, California

LAUSD Financing Corporation
Los Angeles, California

UBS Financial Services Inc.
Los Angeles, California

Re: Los Angeles Unified School District Certificates of Participation, 2020 Series A

Ladies and Gentlemen:

I am a Senior Counsel in the Legal Department of The Bank of New York Mellon Trust Company, N.A. (“BNY Mellon”) and I am delivering this opinion in connection with the execution and delivery of (i) that certain Trust Agreement, dated as of [Closing Date] (the “Trust Agreement”), among the LAUSD Financing Corporation (the “Corporation”), the Los Angeles Unified School District and BNY Mellon, as trustee, and (ii) that certain Assignment Agreement dated as of [Closing Date] (together with the Trust Agreement, the “Agreements”), between the Corporation and BNY Mellon, as trustee. All capitalized terms used herein not otherwise defined shall be as defined in the Agreements.

In rendering the opinions set forth below, I have examined the originals, or copies certified to my satisfaction, of such agreements (including, without limitation, the Agreements), certificates and other statements of government officials and corporate officers of BNY Mellon, documents and other papers as I deemed relevant and necessary as a basis for such opinion and have relied as to factual matters on representations, warranties and other statements therein. With respect to parties other than BNY Mellon, in such examination, I have assumed the authenticity of all documents submitted to me as originals, the genuineness of all signatures, the legal capacity of natural persons and the conformity to the originals of all documents submitted to me as copies. In my examination of documents (including, without limitation, the Agreements) executed by parties other than BNY Mellon, I have also assumed that, if the opinions set forth in paragraphs (1) through (5) below referred to such parties and such documents, such opinions would be true and correct with respect to such parties and such documents.

The opinions expressed herein are limited to the laws of the State of California and the Federal law of the United States, and I do not express any opinion herein concerning any other law.

Based upon the foregoing, I am of the opinion that:
(1) BNY Mellon is a national banking association duly organized and validly existing under the laws of the jurisdiction of its organization and has the corporate power to execute and deliver the Agreements, and any other documentation relating to the Agreements, and to perform its obligations under the Agreements.

(2) The execution and delivery by BNY Mellon of the Agreements and any other documentation relating to the Agreements, and its performance of its obligations under the Agreements, have been and are as of the date hereof duly authorized by all necessary corporate action.

(3) No approval, authorization or other action by, or filing with, any governmental body or regulatory authority (which has not been obtained) is required in connection with the due execution, delivery and performance by BNY Mellon of the Agreements.

(4) The Agreements have been duly executed and delivered and constitute the valid and legally binding obligations of BNY Mellon enforceable against it in accordance with their terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought as a proceeding in equity or at law).

(5) BNY Mellon has duly executed and delivered the Certificates on the date hereof in its capacity as trustee under the Trust Agreement.

My opinions are subject to the following assumptions and qualifications:

I express no opinion as to (a) any transactions not specifically referred to herein; (b) any provision of the Agreements to the extent it provides that a party is entitled to recover more than its actual damages under such Agreement; (c) any right, remedy or provision of the Agreements (including without limitation any termination payment provisions thereof) which, if determined to be a penalty, a court or other authority or body may have the discretion to invalidate or decline to enforce; (d) the enforcement of rights with respect to indemnification and contribution obligations; (e) any provision relating to severability; (f) any provision purporting to waive or limit rights to trial by jury, oral amendments to written agreements or rights of set-off, (g) any provision relating to submission to jurisdiction, venue or service of process, (h) any provision purporting to prohibit, restrict or require the consent of the other party for the transfer of, or the creation, attachment or perfection of a security interest in, an Agreement or an interest therein, which may be limited by applicable law or considerations of public policy; (i) any provision that provides that the rights of the parties to an Agreement may not be assigned by a party without the prior written consent of the other party or parties, which may be limited by Sections 9406 or 9408 of the Uniform Commercial Code of the State of California; (j) the tax consequences of any transaction under the Agreements; (k) any Federal securities laws, pension and employee benefit laws (e.g., ERISA), anti-money laundering laws, trading with the enemy laws, or other laws of special or general application not normally covered in an opinion on capacity and enforceability, in accordance with market practice; or (l) the priority, perfection, attachment or validity of any security interest created under the Agreements or the enforcement of remedies in connection therewith.
This opinion is based upon facts and law in existence on the date hereof and I disclaim any obligation to advise you of any changes therein occurring after the date hereof. This opinion is given for the use and benefit of the addressees and no other party or entity is entitled to rely on it.

Very truly yours
EXHIBIT D

FORM OF CERTIFICATE OF THE UNDERWRITER

UBS Financial Services Inc. has acted as the underwriter in the Bond Purchase Contract (the “Underwriter”) entered into in connection with the sale and execution by the Los Angeles Unified School District (the “District”) of the Los Angeles Unified School District (County of Los Angeles, California) Refunding Certificates of Participation 2020 Series A in the principal amount of $_______________ (the “Certificates”), being executed on the date hereof, and the Underwriter hereby certifies and represents the following:

1. As of [INSERT DATE BOND PURCHASE CONTRACT IS EXECUTED] (the “Sale Date”), all of the Certificates were the subject of a bona fide offering to the Public at the respective prices or yields set forth on the inside cover page of the District’s Official Statement in respect of the Certificates dated [INSERT DATE OF OFFICIAL STATEMENT] (each, an “Initial Offering Price”), which are the same prices or yields shown on the final pricing wire for the offering of the Certificates attached hereto as Schedule 1.

2. As of the Sale Date, [except for the Maturities [PLEASE IDENTIFY UN/UNDERSOLD MATURITIES] (the “Unsold Maturities”), shown on Schedule 2 attached hereto,] the first price at which 10 percent of each Maturity of the Certificates was sold by the Underwriter to the Public is set forth on Schedule 1.

3. [HOLD THE PRICE - UNDERWRITER ALLOTTED UNSOLD MATURITIES] On and following the Sale Date, with respect to the initial sales of the Unsold Maturities, the Underwriter: (i) has retained the unsold principal amounts of the certificates of the Unsold Maturities as shown in Schedule 2 attached hereto and not allocated any such Unsold Maturities to any other Underwriter, and (ii) has neither offered nor sold any such Unsold Maturities to any person at a price that is higher or yield lower than the Initial Offering Price during the period starting on the Sale Date and ending on the earlier of the following: (a) the close of the fifth business day after the Sale Date, or (b) the date on which at least 10 percent of the certificates of the Unsold Maturity has been sold to the Public at a price that is at or below the Initial Offering Price. OR:

4. [HOLD THE PRICE - SYNDICATE RETAINS CERTIFICATES] On and following the Sale Date, with respect to the initial sales of the Unsold Maturities, the Underwriter has neither offered nor sold any Unsold Maturities to any person at a price higher than or a yield lower than the respective Initial Offering Price for a period of time starting on the Sale Date and ending on the earlier of the following: (a) the close of the fifth business day after the Sale Date, or (b) the date on which at least 10 percent of the certificates of the Unsold Maturity has been sold to the Public at a price that is at or below the Initial Offering Price.

5. The agreement among Underwriter, each selling group agreement and each retail distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Certificates to the Public, together with the related pricing wires, contains language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A)(i) report the prices at which it
sells to the Public the unsold Certificates of each Maturity allotted to it until it is notified by the Underwriter that at least 10 percent of such Maturity of the Certificates was sold by the Underwriter to the Public at a single price, and (ii) with respect to the Unsold Maturities, if any, comply with the hold-the-offering-price rule, as described above, if and for so long as directed by the Underwriter and as set forth in the related pricing wires, (B) promptly notify the Underwriter of any sales of the Certificates that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Certificates to the public (each such term being used as defined below), and (C) acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

[6. The agreement among Underwriter relating to the initial sale of the Certificates to the Public, together with the related pricing wires, contains language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Certificates to the Public to require each broker-dealer that is a party to such retail distribution agreement to (A)(i) report the prices at which it sells to the Public the unsold Certificates of each Maturity allotted to it until it is notified by the Underwriter that at least 10 percent of such Maturity of the Certificates was sold by the Underwriter to the Public at a single price, and (ii) with respect to the Unsold Maturities, if any, comply with the hold-the-offering-price rule, as described above, if and for so long as directed by the Underwriter and as set forth in the related pricing wires, (B) promptly notify the Underwriter of any sales of the Certificates that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Certificates to the public (each such term being used as defined below), and (C) acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.][updates to come]

For purposes of this Certificate, the following definitions apply:

(a)  **Maturity** means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b)  **Public** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(c)  **Related Party** means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).
Underwriter means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

The Underwriter understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the District’s Tax Certificate and Agreement to which this certificate is included as Exhibit [____] and with respect to compliance with the federal income tax rules affecting the Certificates, and by Hawkins Delafield & Wood LLP, as Special Counsel to the District, in connection with providing an opinion as to the exclusion from gross income of the interest evidenced on the Certificates pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Certificates. The Underwriter is certifying only as to facts in existence on the date hereof. Nothing herein represents the Underwriter’s interpretation of any laws; in particular, the Treasury Regulations under the Code, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other Underwriter and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Dated: [INSERT EXECUTION DATE OF THE CERTIFICATES]

UBS FINANCIAL SERVICES INC.

By: ________________________________
Name: ______________________________
Title: ______________________________
CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Los Angeles Unified School District (the “District”) in connection with the execution of $__________ principal amount of Refunding Certificates of Participation, 2020 Series A (the “Certificates”). The Certificates are being issued pursuant to a Trust Agreement, dated as of _________ 1, 2020 (the “Trust Agreement”), by and among The Bank of New York Mellon Trust Company, N.A., the LAUSD Financing Corporation and the District. The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Certificates and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person who (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.

“County” shall mean the County of Los Angeles, California.

“CUSIP Numbers” shall mean the Committee on Uniform Security Identification Procedure’s unique identification number for each public issue of a security.

“Dissemination Agent” shall mean Digital Assurance Certification, L.L.C., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Disclosure Counsel” shall mean an attorney-at-law, or a firm of such attorneys, of nationally recognized standing in matters pertaining to the disclosure obligations under the Rule, duly admitted to the practice of law before the highest court of any state of the United States of America.

“EMMA System” shall mean the MSRB’s Electronic Municipal Market Access system, the current internet address of which is http://emma.msrb.org.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 6(b)(xv) and Section 6(b)(xvi), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include
municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean either the registered owners of the Certificates, or if the Certificates are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Events” shall mean any of the events listed in Section 6(b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate.

“Official Statement” shall mean the Official Statement dated __________, 2020 with respect to the Certificates.

“Participating Underwriters” shall mean the original underwriters of the Certificates required to comply with the Rule in connection with execution and delivery of the Certificates.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the EMMA System.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB.

Section 4. Provision of Annual Reports. (a) The District shall, or shall cause the Dissemination Agent to, not later than 240 days following the end of the District’s fiscal year (currently ending June 30), commencing with the report for the 2019-20 fiscal year (which is due not later than February 25, 2021), provide to the MSRB through its EMMA System an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Certificate. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 6(c).

(b) Not later than thirty (30) days (not more than sixty (60) days) prior to the date on which the Annual Report is to be provided pursuant to subsection (a), the Dissemination Agent shall give notice to the District that the Annual Report is so required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB through its EMMA System an Annual Report by the
date required in subsection (a), the Dissemination Agent shall send a timely notice of such fact to the MSRB through its EMMA System.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report to the EMMA System the date on which such Annual Report shall be due and notify the District of such date; and

(ii) (if the Dissemination Agent is other than the District) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and that it was provided to the MSRB through the EMMA System.

Section 5. Content of Annual Reports. The District’s Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 4 hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

(i) Adopted budget of the District for the current fiscal year;

(ii) Information regarding total assessed valuation of taxable properties within the District as set forth in Table [_____] of Appendix A to the Official Statement;

(iii) Information regarding total tax levies and collections on taxable properties within the District as set forth in Table [_____] of Appendix A to the Official Statement;


(v) District average daily attendance as set forth in Table A-1 of Appendix A to the Official Statement entitled “Annual Average Daily Attendance”; and
(vi) Statement of revenues, expenditures and changes in general fund balances of the District.

(c) It shall be sufficient for purposes of Section 4 hereof if the District provides annual financial information by specific reference to documents (i) available to the public on the MSRB Internet Web site (currently, www.emma.msrb.org) or (ii) filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference. The provisions of this Section 5(c) shall not apply to notices of Listed Events pursuant to Section 6 hereof.

(d) The descriptions contained in clause (b) above of financial information and operating data constituting to be included in the Annual Report are of general categories or types of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, or due to changes in accounting practices, legislative or organizational changes, a statement to that effect shall be provided in lieu of such information. Comparable information shall be provided if available.

Section 6. Reporting of Listed Events. (a) If a Listed Event occurs, the District shall provide or cause to be provided, in a timely manner not in excess of ten (10) Business Days of the District having notice of such Listed Event, notice of such Listed Event to (i) the EMMA System of the MSRB and (ii) the Dissemination Agent.

(b) Pursuant to the provisions of this Section 6, the District shall give, or cause to be given, notice of the occurrence of any of the following events (each, a “Listed Event”) with respect to the Certificates:

(i) principal and interest payment delinquencies;
(ii) non-payment related defaults, if material;
(iii) modifications to rights of Holders, if material;
(iv) Certificate calls, if material and tender offers;
(v) defeasances;
(vi) rating changes;
(vii) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (Internal Revenue Service Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
(viii) unscheduled draws on the debt service reserves reflecting financial difficulties;
(ix) unscheduled draws on the credit enhancements reflecting financial difficulties;

(x) release, substitution or sale of property securing repayment of the Certificates, if material;

(xi) bankruptcy, insolvency, receivership or similar event of the District (such event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District);

(xii) substitution of credit or liquidity providers, or their failure to perform;

(xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material;

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties; and

(xvii) any amendment or waiver of a provision of this Disclosure Certificate.

The District intends to comply with the Listed Events described in Section 6(b)(xv) and Section 6(b)(xvi), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect the amendments to the Rule effected by the 2018 Release. The District notes that items (viii), (ix), (x) and (xii) are not applicable to the Certificates.
(c) If the District determines that a Listed Event has occurred, the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to Section 3 hereof.

(d) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB through its EMMA System.

(e) Notwithstanding the foregoing, notice of Listed Events described in subsections (b)(iv) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Certificates pursuant to the Trust Agreement.

Section 7. CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements and notices of Listed Events, the District shall indicate the full name of the Certificates and the 9-digit CUSIP numbers for the Certificates as to which the provided information relates.

Section 8. Termination of Reporting Obligation. (a) The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the District shall give notice of such termination in the same manner as for a Listed Event under Section 6(c).

(b) This Disclosure Certificate, or any provision hereof, shall cease to be effective in the event that the District (1) delivers to the Dissemination Agent an opinion of Disclosure Counsel, addressed to the District and the Dissemination Agent, to the effect that those portions of the Rule which require this Disclosure Certificate, or such provision, as the case may be, do not or no longer apply to the Certificates, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB.

Section 9. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall be Digital Assurance Certification, L.L.C. If at any time there is no designated Dissemination Agent appointed by the District, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the District shall be the Dissemination Agent and undertake or assume its obligations hereunder. The Dissemination Agent (other than the District) shall not be responsible in any manner for the content of any notice or report required to be delivered by the District pursuant to this Disclosure Certificate.

Section 10. Amendment; Waiver. (a) This Disclosure Certificate may be amended by the District without the consent of the holders of the Certificates (except to the extent required under clause (a)(iv)(2) below), if all of the following conditions are satisfied:
(i) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the District or the type of business conducted thereby;

(ii) this Disclosure Certificate as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(iii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the same effect as set forth in (a)(ii) above;

(iv) either (1) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that the amendment does not materially impair the interests of the holders of the Certificates or (2) is approved by the Holders of the Certificates in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Holders; and

(v) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system within ten (10) Business Days from the execution thereof.

(b) In addition to subsection 10(a) above, this Disclosure Certificate may be amended and any provision of this Disclosure Certificate may be waived, by written certificate of the District, without the consent of the holders of the Certificates, if all of the following conditions are satisfied:

(i) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Disclosure Certificate which is applicable to this Disclosure Certificate;

(ii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that performance by the District under this Disclosure Certificate as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and

(iii) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system.

(c) In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements,
(i) notice of such change shall be given in the same manner as for a Listed Event under Section 6 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 11. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 12. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, the Dissemination Agent may (and, at the request of any Participating Underwriters or the Holders or Beneficial Owners of at least 25% of aggregate principal amount of the Certificates then outstanding, shall) or any Holders or Beneficial Owners of the Certificates 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 Disclosure Certificate; provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Los Angeles or in the U.S. District Court in the County of Los Angeles. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 13. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.
Section 15. **Execution in Counterparts.** This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same certificate.

Dated: __________, 2020

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: ____________________________
   David Hart
   Chief Financial Officer

ACKNOWLEDGED AND AGREED TO BY:

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Dissemination Agent

By: ____________________________
   Dissemination Agent