
INDENTURE

Between

CALIFORNIA SCHOOL FINANCE AUTHORITY,
as Issuer

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Bond Trustee

Dated as of [_____] 1, 2023

Relating to:

§[PARA]
CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(CAMINO NUEVO CHARTER ACADEMY - OBLIGATED GROUP)
SERIES 2023A

and

§[PARB]
CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(CAMINO NUEVO CHARTER ACADEMY - OBLIGATED GROUP)
SERIES 2023B (TAXABLE)

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THIS INDENTURE, made and entered into as of [_____] 1, 2023, by and between the **CALIFORNIA SCHOOL FINANCE AUTHORITY**, a public instrumentality of the State of California (as hereinafter in Section 1.01 further defined, the “Authority”), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, being qualified to accept and administer the trusts hereby created (as hereinafter in Section 1.01 further defined, the “Bond Trustee”).

W I T N E S S E T H:

WHEREAS, the Authority is a public instrumentality of the State of California, created by the California School Finance Authority Act (constituting Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California) (as hereinafter in Section 1.01 further defined, the “Act”) and is authorized to issue bonds and loan the proceeds thereof for purposes of financing or refinancing the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities (as defined in the Act) to a participating party (as defined in the Act), including an entity that undertakes the financing or refinancing of a project (as defined in the Act) pursuant to the Act in conjunction with schools (“charter schools”) established pursuant to the Charter Schools Act of 1992, as amended (constituting Part 26.8 of Division 4 of Title 2 of the Education Code) (as more particularly defined herein, the “Charter School Law”);

WHEREAS, Grupo Nuevo Los Angeles (the “Borrower”), a California nonprofit public benefit corporation and which is an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), has applied for a loan of proceeds of revenue bonds of the Authority to refinance the Project (as defined herein) at the Facilities (as defined herein) [and working capital];

WHEREAS, the Facilities will be leased to Camino Nuevo Charter Academy (the “Lessee”), a California nonprofit public benefits corporation and which is an entity described in Section 501(c)(3) of the Code pursuant to the Leases (as defined herein);

WHEREAS, during the term of the Leases, the Facilities will be used and operated in conjunction with the Schools (as defined herein);

WHEREAS, the Authority has duly entered into a loan agreement with the Borrower (the “Loan Agreement”), which is approved and acknowledged by the Landlords (as defined herein), of even date herewith, specifying the terms and conditions of a loan by the Authority to the Borrower to finance the Project [and certain working capital] and of the payment by the Borrower to the Authority of amounts sufficient for the payment of the principal and redemption price, if any, of, and interest on the Bonds and certain related expenses;

WHEREAS, the Authority authorized the issuance of its California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A (the “Tax-Exempt Bonds”) and its California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable) (the “Taxable Bonds” and together with the Tax-Exempt Bonds, the “Bonds”) in the aggregate principal amounts specified in Section 2.01 of this Indenture to fund the loan to the

Borrower under the Loan Agreement to (i) refinance costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping (A) an educational facility known as Camino Nuevo Elementary #3, located at 2755 W 15th St, Los Angeles, CA 90006 (“Eisner Middle Campus”) (B) administrative offices, located at 3435 W. Temple St., Los Angeles, CA 90026 (“Head Office”) (C) an educational facility known as Camino Nuevo High School #2, located at 3500 and 3515 W. Temple Street, Los Angeles, CA 90004 (“Dalzell High Campus”) (D) an educational facility known as Camino Nuevo Charter Academy, located at 697 S. Burlington Avenue, Los Angeles, CA 90057 (“Burlington Campus” and collectively with Eisner Middle, Head Office, and Dalzell High, the “Facilities”); (2) finance certain capital improvements to the Facilities, (3) pay capitalized interest on the Bonds; (4) fund a debt service reserve fund with respect to the Bonds, (5) fund related working capital; and (6) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the “Project”); (ii) pay certain expenses incurred in connection with the issuance of the Bonds; and (iii) fund a debt service reserve fund and/or related working capital with respect to the Bonds;

WHEREAS, to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal, and redemption price, if any thereof, and the interest thereon, the Authority has authorized the execution and delivery of this Indenture;

WHEREAS, the Bonds, the certificate of authentication and registration to be executed thereon and the form of assignment to appear thereon are to be in substantially the form set forth in Exhibit A hereto and made a part hereof with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Bond Trustee and duly issued, the valid, binding, and legal limited obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order further to secure the payment of the principal and redemption price, if any, of, and interest on, all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Holders thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Bond Trustee, for the equal and proportionate benefit of the Holders from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture and of any indenture supplemental hereto, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Accountant” means any firm of independent certified public accountants selected by the Borrower.

“Accredited Investor” consisting of “accredited investors” described in Section (a) of Rule 501 of Regulation D under the Securities Act of 1933, as amended).

“Act” means the California School Finance Authority Act, constituting Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State, as now in effect and as it may from time to time hereafter be amended or supplemented.

“Additional Payments” shall have the meaning given thereto in the Loan Agreement.

“Administrative Fees and Expenses” means any application, commitment, financing or similar fee charged, or reimbursement for administrative or other expenses incurred, by the Authority or the Bond Trustee in connection with the Bonds, including Additional Payments.

“Administration Fund” means the fund by that name established pursuant to Section 5.11 hereof.

“Authority” means the California School Finance Authority, a public instrumentality of the State established by the Act, and its successors and assigns.

“Authorized Borrower Representative” means the Authorized Representative of the Borrower as designated by the Board of Directors of the Borrower, or such other person as may be designated by the Board of Directors of the Borrower to sign for the Borrower, by written certificate furnished to the Authority and the Bond Trustee, as a person authorized to act on behalf of the Borrower. Such certificate will contain the specimen signature of such person, will be signed on behalf of the Borrower by any officer of the Borrower and may designate an alternate or alternates.

“Authorized Denominations” means \$250,000 and any integral multiple of \$5,000 in excess thereof (or the aggregate principal amount of any maturity of the Bonds Outstanding, if lower, in integral multiples of \$5,000), subject to the provisions of Section 2.04 hereof.

“Authorized Signatory” means any member of the Authority and any other person as may be designated and authorized to sign on behalf of the Authority pursuant to a resolution adopted thereby.

“Beneficial Owner” means, (i) when used with reference to the Book Entry Only System, the person who is considered the beneficial owner of the Bonds and, with respect to the Bonds pursuant to the arrangements for book entry determination of ownership applicable to the Depository and, (ii) for purposes of Section 6.09 hereof, any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds and, with respect to the Bonds (including persons holding such through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds and, with respect to the Bonds for federal income tax purposes.

“Bondholder” or **“Holder”** means, with respect to any Bond, the person in whose name such Bond is registered.

“Bond Purchase Agreement” means and refers to that certain Bond Purchase Agreement, dated [____], 2023, among the Authority, the Underwriter, and the State Treasurer, as agent for sale on behalf of the Authority, the Borrower and the Lessee.

“Bond Reserve Subaccount” means the Bond Reserve Subaccount of the Reserve Account established by the Bond Trustee pursuant to Section 5.05 hereof.

“Bond Trustee” means U.S. Bank Trust Company, National Association, or the successor as Bond Trustee hereunder as provided in Section 8.01 or 8.02 of this Indenture.

“Bond Year” means the period beginning on the Closing Date and ending on the first anniversary of the Closing Date and each succeeding one-year period (with the last Bond Year ending on the first date that none of the Bonds remain Outstanding).

“Bonds” has the meaning set forth in the recitals to this Indenture.

“Borrower” means Grupo Nuevo Los Angeles, a California nonprofit corporation, and its successors and assigns.

“Borrower Documents” means the Master Indenture of Trust, the Supplemental MTI for Obligation No. 1, the Loan Agreement, the Bond Purchase Agreement, the Leases, the Continuing Disclosure Agreement, the Tax Regulatory Agreement, the Mortgage (as defined in the Master Indenture of Trust) and the Borrower Resolution.

“Borrower Resolution” means the resolution or other authorizing action adopted by the governing board of the Borrower authorizing the Loan and the execution and delivery of the Borrower Documents.

“Burlington Campus” means the charter school facilities located at 653, 697, 661 and 681 S. Burlington Avenue, Los Angeles, CA 90057.

“Burlington Lease” means, collectively, those certain Lease Agreements, dated as of [____] 1, 2023, between GNLA 697 S Burlington LLC, as lessor, and Camino Nuevo Charter Academy, as lessee, with respect to the Burlington Campus.

“Business Day” means any day other than (a) a Saturday, a Sunday, (b) a day on which banking institutions or trust companies in in Los Angeles, California, New York, New York or the city in which the Principal Corporate Trust Office is located are authorized or obligated by law, regulation or executive order to be closed or (c) a day on which the New York Stock Exchange is authorized or required to be closed.

“Capitalized Interest Subaccount” means the subaccount by that name in the Interest Account in the Revenue Fund established pursuant to Section 5.03 hereof.

“Certificate of the Authority,” “Consent of the Authority,” “Order of the Authority,” “Request of the Authority” or “Requisition of the Authority” mean, respectively, a written certificate, consent, order, request or requisition of the Authority signed by or on behalf of the Authority by an Authorized Signatory authorized by the Authority to execute such a document on its behalf.

“Certificate of the Borrower,” “Consent of the Borrower,” “Request of the Borrower,” “Requisition of the Borrower” or “Statement of the Borrower” mean, respectively, a written certificate, request, requisition or statement of the Borrower executed on its behalf by an Authorized Borrower Representative.

“Charter School Law” means the Charter Schools Act of 1992, constituting Part 26.8, commencing with Section 47600 of Division 4 of Title 2 of the Education Code of the State, as now in effect and as it may from time to time hereafter be amended or supplemented.

“Closing Date” means [____], 2023, the date of original issuance and delivery of the Bonds.

“Code” means the Internal Revenue Code of 1986, or any successor code or law, and any regulations in effect or promulgated thereunder.

“Completion” means satisfaction of all of the conditions to completion of the Project as described in the Loan Agreement including delivery of the Completion Certificate pursuant to Section 3.06 of the Loan Agreement.

“Completion Certificate” means a Completion Certificate in a form substantially similar to EXHIBIT B of the Loan Agreement.

“Completion Date” means the date of completion of the Project as that date shall be certified as provided in Section 5.08 hereof, and such date shall be on or before October 1, 2025.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of [____] 1, 2023, among the Borrower, the Lessee and the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Controller” means the Controller of the State of California or any other official of the State charged with the disbursement of State funds to State public schools.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority or the Borrower and related to the original authorization, execution, sale and delivery of the Bonds, including but not limited to costs of preparation and reproduction of documents, fees and expenses of the Authority, the State Treasurer’s Office, the Bond Trustee, the Master Trustee, legal fees and charges of bond counsel, special counsel, disclosure counsel, underwriter’s counsel, Master Trustee’s and Bond Trustee’s counsel, underwriters’ discount, rating agency fees and any other costs, charges or fees in connection with the original delivery of the Bonds.

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 5.09 hereof.

“Dalzell High Campus” means the charter school facilities located at 3500 and 3515 W. Temple Street, Los Angeles, CA 90004.

“Dalzell High Lease” means, collectively, those certain Lease Agreements, dated as of [_____] 1, 2023, between 3500 West Temple LLC, as lessor, and Camino Nuevo Charter Academy, as lessee, with respect to the Dalzell High Campus.

“Debt Service” means, for any period of time, the sum of (a) the interest payable during such period on all Outstanding Bonds, (b) that portion of the principal amount of all Outstanding Bonds maturing on each principal payment date during such period, and (c) that portion of the principal amount of all Outstanding Bonds which are Term Bonds required to be redeemed or paid from Sinking Fund Installments during such period (together with the redemption premiums, if any, thereon).

“Depository” means The Depository Trust Company and its successors and assigns, or any other depository selected as set forth in Section 2.11 hereof which agrees to follow the procedures required to be followed by such depository in connection with the Bonds.

“Dissemination Agent” means the dissemination agent appointed pursuant to the Continuing Disclosure Agreement. The initial Dissemination Agent shall be Campanile Group, Inc.

“Education Code” means the Education Code of the State of California.

“Eisner Middle Campus” means the charter school facilities located at 2755 W 15th St, Los Angeles, CA 90006.

“Eisner Middle Lease” means, collectively, those certain Lease Agreements, dated as of [_____] 1, 2023, between Fifteenth and Ardmore LLC, as lessor, and Camino Nuevo Charter Academy, as lessee, with respect to the Eisner Middle Campus.

“Electronic Notice” means the following communications methods: a portable document format (“pdf”) or other replicating image attached to an e-mail, facsimile transmission, or secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder.

“Eligible Securities” means any of the following obligations as and to the extent that such obligations are at the time legal investments under the Act for moneys held hereunder and then proposed to be invested therein (provided that the Bond Trustee shall be entitled to rely upon a Request of the Borrower as conclusive evidence that the investments described therein are so authorized under the laws of the State) and shall be the sole investments in which amounts on deposit in any fund or account created hereunder or under the Loan Agreement shall be invested:

(a) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America or any Federal Reserve Bank and CATS and TIGRS) or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by the United States of America;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies, provided that such obligations are backed by the full faith and credit of the United States of America (stripped securities shall constitute Eligible Securities only if they have been stripped by the agency itself); U.S. Export-Import Bank, Farmers Home Administration, Federal Financing Bank, General Services Administration, U.S. Maritime Administration, U.S. Department of Housing and Urban Development, Government National Mortgage Association, and Federal Housing Administration;

(c) 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 shall constitute Eligible Securities only if they have been stripped by the agency itself): Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (“FHLMC”), Federal National Mortgage Association (“FNMA”), Student Loan Marketing Association, Resolution Funding Corporation or Farm Credit System;

(d) Bonds or notes issued by any state or municipality which are rated by S&P, Fitch and Moody’s at the time of purchase in one of the three highest rating categories assigned by such agencies;

(e) repurchase agreements with either a primary dealer on the reporting dealer list of the Federal Reserve or any bank (including an affiliate of the Bond Trustee), which, in either case, is rated, at the time the investment is entered into, “A” or better by S&P and Moody’s, provided that (i) the term of such repurchase agreement is not greater than thirty days; (ii) the Bond Trustee or third party acting solely as agent for the Bond Trustee has possession of the collateral; (iii) the collateral is valued weekly and the market value of the collateral is maintained at an amount equal to at least 104% (or, if the collateral consists of obligations of FHLMC or FNMA, 105%) of the amount of cash transferred by the Bond Trustee to the dealer bank or securities firm under the repurchase agreement plus interest; (iv) failure to maintain the requisite collateral levels will require the Bond Trustee to liquidate the collateral immediately; (v) the repurchase securities are either obligations of, or fully guaranteed as to principal and interest by, the United States or any federal agency backed by the full faith and credit of the United States; (vi) the repurchase securities are free and clear of any third-party lien or claim; and (vii) there shall have been delivered to

the Bond Trustee, the Authority and the Borrower an Opinion of Counsel to the effect that such repurchase agreement meets all guidelines under State law for legal investment of public funds;

(f) investment agreements, including guaranteed investment contracts (“GICs”) with providers in one of the two highest rating categories of Moody’s and S&P;

(g) money market 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, at the time the investment is entered into, by S&P of “AAAm-G”, “AAA-m”, or “AA-m” and if rated by Moody’s rated “Aaa”, “Aa1” or “Aa2”, including such funds for which the Bond Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Bond Trustee or an affiliate of the Bond Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Bond Trustee or an affiliate of the Bond Trustee receives fees from funds for services rendered, (ii) the Bond Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Bond Trustee or an affiliate of the Bond Trustee;

(h) certificates of deposit secured at all times by collateral described in (a) and/or (b) above, issued by commercial banks, savings and loan associations or mutual savings banks relating to collateral held by a third party, and in which collateral the Bond Trustee on behalf of the Bondholders has a perfected first security interest;

(i) certificates of deposit, savings accounts, deposit accounts or money market deposits that are fully insured by FDIC, including BIF and SAIF;

(j) commercial paper rated, at the time of purchase, “Prime-1” by Moody’s and “A-1” or better by S&P;

(k) federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating, at the time the investment is entered into, of “Prime-1” or “A-3” or better by Moody’s and “A-1” or “A” or better by S&P;

(l) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State as it may be amended;

(m) the State of California’s Pooled Money Investment Account;

(n) the State of California’s Local Agency Investment Fund; and

(o) obligations of a bank or other financial institution rated, at the time the investment is entered into, at least “Aa3” by Moody’s or “AA-” by S&P.

“Environmental Regulations” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances or chemical waste, materials or substances.

“Event of Default” means any of the events specified in Section 7.01 of this Indenture.

“Exempt Person” means any state or a local governmental unit of any state established pursuant to state law or any organization described in Section 501(c)(3) of the Code (except to the extent such organization is engaged in an unrelated trade or business of the Lessee or of such organization within the meaning of Section 513 of the Code).

“Facility” or **“Facilities”** means, individually or collectively, as the context shall require, the Head Office Facility, the Eisner Middle Campus, Dalzell High Campus and Burlington Campus.

“Fiscal Year” means, with respect to the Borrower, the twelve month period beginning July 1 and ending on June 30, or such other twelve month period as may be designated in a written Statement of the Borrower delivered to the Authority and the Bond Trustee.

“Fitch” means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower.

“501(c)(3) Organization” means an organization described in Section 501(c)(3) of the Code.

“Government Obligations” means noncallable and nonprepayable direct obligations of the United States of America or obligations which as to full and timely payment of principal and interest constitute full faith and credit obligations of the United States of America (excluding therefrom unit investment trusts and money market funds comprised of such securities).

“Governmental Unit” has the meaning set forth in Section 150 of the Code.

“Grant-Funded Reserve Eligible Securities” means:

- (1) obligations issued or guaranteed by the United States government;
- (2) obligations of agencies or instrumentalities of the United States, including government-sponsored enterprises;
- (3) obligations issued by or guaranteed by any state, provided such obligations are rated in the two highest rating categories of Moody’s, S&P or Fitch;
- (4) commercial paper, repurchase agreements, guaranteed investment contracts or other similar instruments issued by corporations that are organized and operating within the United States having assets in excess of \$500 million and

having a short-term rating in the highest rating category of Moody's, S&P or Fitch, and a long-term rating in one of the two highest rating categories;

- (5) money market funds that invest solely in United States government securities or obligations of agencies or instrumentalities of the United States, including such funds for which the Bond Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Bond Trustee or an affiliate of the Bond Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or sub-custodian, notwithstanding that (i) the Bond Trustee or an affiliate of the Bond Trustee receives fees from funds for services rendered, (ii) the Bond Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Bond Trustee or an affiliate of the Bond Trustee;
- (6) money market fund deposits or certificates of deposit made in federally insured, regulated credit unions or banks, to the extent fully insured or collateralized with investments under categories (1) through (5), including such funds for which the Bond Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Bond Trustee or an affiliate of the Bond Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or sub-custodian, notwithstanding that (i) the Bond Trustee or an affiliate of the Bond Trustee receives fees from funds for services rendered, (ii) the Bond Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Bond Trustee or an affiliate of the Bond Trustee; and
- (7) such other investment securities as the Secretary of the U.S. Department of Education may determine are prudent investments that comply with applicable law and regulations.

“Grant-Funded Reserve Subaccount” means the Grant-Funded Reserve Subaccount of the Reserve Account established by the Bond Trustee pursuant to Section 5.05 hereof.

“Gross Revenues” has the meaning ascribed to it in the Master Indenture of Trust.

“Hazardous Substances” means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Facilities or to persons on or about the Facilities or (ii) cause the Facilities to be in violation of any Environmental Regulation; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,”

extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 5101 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; the California Hazardous Waste Control Law (“HWCL”), Cal. Health & Safety Code §§ 25100 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act (“HSAA”), Cal. Health & Safety Code §§ 25300 et seq.; the Underground Storage of Hazardous Substances Act, Cal. Health & Safety Code §§ 25280 et seq.; the Porter Cologne Water Quality Control Act (the “Porter Cologne Act”), Cal. Water Code §§ 13000 et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986 (Chapter 6.6 (commencing with Section 25249.5) of Division 20 of the California Health and Safety Code); and Division 4.5 of Title 22 of the California Code of Regulations, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Mortgaged Property (as defined in the Master Indenture of Trust) or the owners and/or occupants of property adjacent to or surrounding the Mortgaged Property, or any other person coming upon the Mortgaged Property or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

“Head Office Facility” means the administrative facilities located at 3435 W. Temple St., Los Angeles, CA 90026.

“Head Office Lease” means, collectively, those certain Lease Agreements, dated as of [] 1, 2023, between Grupo Nuevo Los Angeles, as lessor, and Camino Nuevo Charter Academy, as lessee, with respect to the Head Office Facility.

“Indenture” means this indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture entered into pursuant to the provisions hereof.

“Independent Consultant” means a firm (but not an individual) which (1) is in fact independent, (2) does not have any direct financial interest or any material indirect financial interest in the Borrower or any affiliate thereof and (3) is not connected with the Borrower or any affiliate thereof as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions, and designated by the Borrower, qualified to pass upon questions relating to the financial affairs of facilities of the type or types operated by the Borrower and having a favorable reputation for skill and experience in the financial affairs of such facilities.

“Insurance and Condemnation Proceeds Fund” means the fund by that name established pursuant to the Master Indenture of Trust.

“Intercept” means the apportionment from the State Controller, pursuant to Section 17199.4 of the Education Code (or any successor provision) and the Intercept Notice, of amounts specified in the Intercept Notice and payable directly to the Bond Trustee.

“Intercept Notice” means any notice from the Schools to the State Controller, pursuant to Section 17199.4 of the Education Code (or any successor provision), specifying a transfer schedule for the payment directly to the Bond Trustee of one or more of the following: (x) principal of the Bonds, (y) interest on the Bonds and (z) other costs necessary or incidental to financing pursuant to the Act relating to the Bonds, including Additional Payments, in substantially the form set forth in the Leases, as the same may be amended, supplemented or restated from time to time.

“Interest Account” means the account by that name in the Revenue Fund established pursuant to Section 5.02 hereof.

“Interest Payment Date” means each January 1 and July 1, commencing [July 1, 2023].

“Irrevocable Deposit” means the irrevocable deposit in trust of cash in an amount (or Government Obligations the principal of and interest on which will be in an amount), and under terms sufficient to pay all or a portion of the principal of and/or premium, if any, and interest on, as the same shall become due, any indebtedness of the Borrower which would otherwise be considered Outstanding. The trustee with whom such deposit is made may be any trustee or escrow agent authorized to act in such capacity.

“Lease” or **“Leases”** means, individually or collectively, as the context shall require, (A) for purposes of this Indenture, the Head Office Facility Lease, the Eisner Middle Campus Lease, the Datzell High Lease and the Burlington Campus Lease, and (B) in respect of the Obligated Group, each other lease agreement pursuant to which Lessee leases a facility, at which a School is located, from a Member of the Obligated Group.

“Lessee” means Camino Nuevo Charter, a California nonprofit public benefit corporation, as lessee under the Lease and as operator of charter schools, including the Schools, pursuant and subject to the Charter School Law, and its successors and assigns.

“Landlord,” and **“Lessor”** means each of Fifteenth and Ardmore LLC, 3500 West Temple LLC, [3545 West Temple LLC] and GNLA 697 S Burlington LLC, each a California limited liability company whose sole member is the Borrower, and their respective successors and assigns.

“Lien” means any mortgage or pledge of, security interest in or lien or encumbrance on the Facilities or the Gross Revenues.

“Loan” means the loan of Bond proceeds from the Authority to the Borrower pursuant to the Loan Agreement.

“Loan Agreement” means that certain loan agreement, dated as of [_____] 1, 2023, between the Authority and the Borrower, as originally executed or as it may from time to time be supplemented, modified or amended subject to and in accordance with the terms thereof and of Section 6.06(b) of this Indenture.

“Loan Repayments” has the meaning given such term in Section 3.02(b) of the Loan Agreement.

“Mandatory Sinking Account Payment” means each amount so designated which is established pursuant to Section 5.04 of this Indenture with respect to the Bonds.

“Master Indenture of Trust” means that certain Master Indenture of Trust, dated as of [_____] 1, 2023, among the Obligated Group Members, and the Master Trustee named therein, as originally executed and as the same may be amended and supplemented from time to time in accordance with its terms.

“Master Trustee” means U.S. Bank Trust Company, National Association, appointed and acting under and pursuant to the Master Indenture of Trust.

“Members of the Obligated Group” means, as applicable, each “Member” as identified in the Master Indenture of Trust.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower.

“Opinion of Bond Counsel” means an Opinion of Counsel by a nationally recognized bond counsel firm experienced in matters relating to the exclusion from gross income for federal income tax purposes of interest payable on obligations of state and political subdivisions.

“Opinion of Counsel” means a written opinion of counsel (which may be counsel for the Authority) selected by the Authority. If and to the extent required by the provisions of Section 1.02 of this Indenture, each Opinion of Counsel shall include the statements provided for in Section 1.02 of this Indenture.

“Optional Redemption Account” means the account by that name in the Redemption Fund established pursuant to Section 5.06 hereof.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09 hereof) all Bonds theretofore, or thereupon being, authenticated and delivered by the Bond Trustee under this Indenture except (a) Bonds theretofore canceled by the Bond Trustee or surrendered to the Bond Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02 of this Indenture; and (c) Bonds for the transfer or exchange of which, or in lieu of or in substitution for which, other Bonds shall have been authenticated and delivered by the Bond Trustee pursuant to this Indenture.

“Payments” means (i) all moneys (except any money received to be used for the payment of Administrative Fees and Expenses) received by the Bond Trustee with respect to the Intercept, (ii) all moneys, if any, received by the Bond Trustee directly from, or on behalf of, the Borrower, pursuant to the Loan Agreement (excluding Additional Payments not directed to be deposited into any fund or account created and held under the Indenture) or Obligation No. 1, and (iii) all income derived from the investment of any money in any fund or account established pursuant to this Indenture.

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

“Principal Account” means the account by that name in the Revenue Fund established pursuant to Section 5.02 hereof.

“Principal Corporate Trust Office” means for the Bond Trustee originally appointed hereunder, the corporate trust office of U.S. Bank Trust Company, National Association, which at the date of execution of this Indenture is that specified in Section 11.07 of this Indenture, provided however, that for purposes of presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Bond Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“Principal Payment Date” means the principal and Mandatory Sinking Account Payment dates for the Bonds, which dates occur on [_____] 1 of each year commencing [_____] 1, 20__].

“Prior Obligations” means (a) the Borrower’s obligations related to that certain Wells Fargo Bank, National Association loan number [_____] , (b) Fifteenth and Ardmore LLC’s obligation related to that certain Wells Fargo Bank, National Association loan number [_____] , (c) GNLA 697 S Burlington LLC’s obligations under that certain Financing Agreement, dated as of June 1, 2017, by and among the Authority, Wells Fargo Bank, National Association and GNLA 697 S Burlington LLC, and (d) 3500 West Temple LLC’s obligations under that certain Loan Agreement, dated as of December 1, 2013, by and between the Authority and 3500 West Temple LLC.

“Project” has the meaning given to such term in Exhibit A of the Loan Agreement.

“Project Fund” means the fund by that name established pursuant to Section 5.08 of this Indenture.

“Qualified Institutional Buyer” shall have the meaning given to a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933.

“Rating Agency” means at any time any nationally recognized rating agency including Fitch, Moody’s or S&P, then rating the Bonds at the request of the Authority or the Borrower.

“Rating Category” means (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

“Rebate Analyst” means the Person engaged by the Borrower to calculate any rebate liability under the Code.

“Rebate Fund” means the fund by that name established pursuant to Section 5.07 of this Indenture.

“Record Date” means, with respect to the Interest Payment Date for the Bonds, the fifteenth day of the calendar month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established pursuant to Section 5.06 of this Indenture.

“Rental Payments” means the amounts payable pursuant to the Lease by the Lessee to the Members of the Obligated Group for the use and occupancy of any Facilities, excluding Expenses (as defined in the Lease).

“Repair and Replacement Fund” means the fund by such name established pursuant to Section 5.10 hereof.

“Repair and Replacement Fund Requirement” means \$[_____]; provided, however, that the Repair and Replacement Fund Requirement shall initially be \$0 as of the date of delivery of the Bonds and shall increase by \$[_____] on the first Business Day of each month commencing [_____] 1, 20[___] until the Repair and Replacement Fund Requirement equals \$[_____].

“Reserve Account” means the account by that name in the Revenue Fund established pursuant to Section 5.02 hereof.

“Reserve Account Requirement” means as of any date of calculation, an amount which will be equal to the least of (a) ten percent (10%) of the original principal amount of the Bonds; (b) maximum annual Debt Service with respect to the Bonds Outstanding; (c) one hundred twenty-five percent (125%) of average annual Debt Service with respect to the Bonds, or (d) for the last Bond Year only, the total Debt Service with respect to the Bonds Outstanding. Maximum annual Debt Service and average annual Debt Service, for purposes of this definition, will be calculated on the basis of 12-month periods ending on July 1 of any year in which Bonds are Outstanding.

“Responsible Officer” of the Bond Trustee means any person who at the time and from time to time may be designated, by written certificate, as a person authorized to act on behalf of the Bond Trustee. Such certificate shall contain the specimen signature of such person(s) and shall be signed on behalf of the Bond Trustee by any officer of the Bond Trustee and may designate an alternate or alternates.

“Retained Rights” means the Authority’s right to payment of the Administrative Fees and Expenses, any Additional Payments, any right to be indemnified, held harmless or defended, any right to receive information, reports, certifications or other documents and any right to notice, consent, approval or inspection hereunder or under the Loan Agreement and the obligation of the Borrower to make deposits pursuant to the Tax Regulatory Agreement.

“Revenue Fund” means the fund by that name established pursuant to Section 5.01(d) of this Indenture.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower.

“School” means individually, and **“Schools”** means collectively, each public charter school operated by Lessee and located at the Facilities pursuant to a Lease from and after the date upon which the Borrower joins the Obligated Group, but excluding any public charter school operated as Lessee at premises that are not owned or leased by a Member that is part of the Obligated Group or is owned or leased by a Member that withdraws from the Obligated Group to the extent and in accordance with the Master Indenture, from and after the date of such withdrawal.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attention: Call Notification Department, Fax (212) 855-7232 or to such other addresses and/or such other securities depositories as the Authority may designate to the Bond Trustee in writing.

“Series” means, when used with reference to the Bonds, all of the Bonds authenticated and delivered on original issuance and identified pursuant to this Indenture as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Indenture, regardless of variations in maturity, interest rate, sinking fund installments or other provisions.

“Series 2013 Bonds” means the California School Finance Authority School Finance Variable Rate Demand Revenue Bonds (Camino Nuevo-3500 West Temple LLC Project) Series 2013.

“Series 2013 Bond Indenture” means that certain Indenture, dated as of December 1, 2013, between the Authority and the Series 2013 Bond Trustee, as amended and supplemented to date.

“Series 2013 Bond Trustee” means Wells Fargo Bank, National Association, in its capacity as trustee for the holders of the Series 2013 Bonds.

“Series 2017 Bonds” means the California School Finance Authority School Finance Variable Rate Demand Revenue Bonds (Camino Nuevo-3500 West Temple LLC Project) Series 2013.

“Series 2017 Bond Financing Agreement” means that certain Financing Agreement, dated as of December 1, 2013, between the Authority, GNLA 697 S Burlington LLC, as borrower, and the Series 2017 Bond Trustee, as amended and supplemented to date.

“Series 2017 Bond Trustee” means Wells Fargo Bank, National Association, in its capacity as trustee for the holders of the Series 2017 Bonds.

“Sinking Fund Installment” means, with respect to any Term Bonds, each amount so designated for such Term Bonds requiring payments by the Borrower from the Payments to be applied to the retirement of such Bonds on and prior to the stated maturity date thereof.

“Special Record Date” means the date established by the Bond Trustee pursuant to Section 2.02(c)ii) of this Indenture as a record date for the payment of defaulted interest on Bonds.

“Special Redemption Account” means the account by that name in the Redemption Fund established pursuant to Section 5.06 hereof.

“State” means the State of California.

“State Controller” means the Controller of the State.

“State Treasurer” means the Treasurer of the State.

“Supplemental Indenture” or **“Indenture supplemental hereto”** means any indenture hereafter duly authorized and entered into between the Authority and the Bond Trustee in accordance with the provisions of this Indenture.

“Supplemental MTI for Obligation No. 1” means that certain Supplemental Master Indenture for Obligation No. 1, dated as of [_____] 1, 2023, between the Obligated Group Members and the Master Trustee named therein, as originally executed and as the same may be amended and supplemented from time to time in accordance with its terms.

“Surveillance Fee” means the per annum fee assessed by a Rating Agency during the period the Bonds carry a rating therefrom, if any.

“Tax-Exempt Bonds” means the California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy – Obligated Group) Series 2023A authorized and issued pursuant to Article II of this Indenture and any bonds issued in exchange or replacement thereof in accordance with this Indenture.

“Tax Regulatory Agreement” means the Tax Regulatory Agreement, dated the date of issuance of the Bonds, by the Authority, the Borrower and the Lessee, as the same may be amended or supplemented in accordance with its terms.

“Taxable Bonds” means the California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy – Obligated Group) Series 2023B (Taxable) authorized and issued pursuant to Article II of this Indenture and any bonds issued in exchange or replacement thereof in accordance with this Indenture.

“Term Bonds” means Bonds which are payable on or before their specified maturity dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

“Underwriter” means RBC Capital Markets, LLC, its successors and assigns.

“Working Capital Fund” means the fund by that name established pursuant to Section

5.15 of this Indenture.]

SECTION 1.02. Content of Certificates and Opinions. Every certificate (other than the certificate provided for in Section 11.05 hereof) or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include (a) a statement that the person or persons making or giving such certificate or opinion have read such condition or covenant and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such condition or covenant has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by a member or officer of the Authority may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion made or given by counsel may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority) upon the certificate or opinion of or representations by a member or officer of the Authority, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his or her opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous.

Any written representation of the Authority or determination of the Bond Trustee given in accordance with Section 6.06 (regarding the amendment of the Loan Agreement) or Article IX (regarding amendment of the Indenture) may, at the option of such party, be based solely on the written representation of a financial consultant or advisor, or opinion or advice of counsel, selected by such party and not objected to by the other such party.

SECTION 1.03. Article and Section Headings and References. 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 Indenture.

All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

SECTION 1.04. Construction. The parties hereto acknowledge that each such party and its respective counsel have participated in the drafting and revision of this Indenture. Accordingly, the parties agree that any rule of construction which disfavors the drafting party shall not apply in the interpretation of this Indenture or any amendment or supplement or exhibit hereto.

ARTICLE II

THE BONDS

SECTION 2.01. Authorization of Bonds.

(a) There shall be issued under and secured by this Indenture an issue of bonds of the Authority constituting the Tax-Exempt Bonds. The Tax-Exempt Bonds are hereby authorized to be issued hereunder, designated as the “California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy – Obligated Group) Series 2023A”. The aggregate principal amount of the Tax-Exempt Bonds that may be issued and Outstanding under this Indenture is expressly limited to and shall not exceed \$[PARA] exclusive of the Tax-Exempt Bonds executed and authenticated as provided in Section 2.09 hereof.

(b) There shall be issued under and secured by this Indenture an issue of bonds of the Authority constituting the Taxable Bonds. The Taxable Bonds are hereby authorized to be issued hereunder, designated as the “California School Finance Authority Bonds (Camino Nuevo Charter Academy – Obligated Group) Series 2023B (Taxable)”. The aggregate principal amount of the Taxable Bonds that may be issued and Outstanding under this Indenture is expressly limited to and shall not exceed \$[PARB], exclusive of the Taxable Bonds executed and authenticated as provided in Section 2.09 hereof.

(c) This Indenture constitutes a continuing agreement with the Bond Trustee and the Holders of all of the Bonds Outstanding, subject to the covenants, agreements, provisions and conditions herein contained.

SECTION 2.02. Terms of Bonds.

(a) *Terms of the Tax-Exempt Bonds*

(i) The Tax-Exempt Bonds shall be issued as registered bonds in Authorized Denominations. The Tax-Exempt Bonds shall be dated their date of issuance. Each Beneficial Owner of the Tax-Exempt Bonds shall be an Accredited Investor or a Qualified Institutional Buyer. Interest on the Tax-Exempt Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months and shall be payable in arrears on each Interest Payment Date.

(ii) The Tax-Exempt Bonds shall mature on July 1 in each of the years and in the principal amounts and shall bear interest at the rates as follows:

Year (July 1)	Principal Amount	Interest Rate
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* Term Bond

(b) *Terms of the Taxable Bonds*

(i) The Taxable Bonds shall be issued as registered bonds in Authorized Denominations. The Taxable Bonds shall be dated their date of issuance. Each Beneficial Owner of the Taxable Bonds shall be an Accredited Investor or a Qualified Institutional Buyer. Interest on the Taxable Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months and shall be payable in arrears on each Interest Payment Date.

(i) The Taxable Bonds shall mature on July 1 in each of the years and in the principal amounts and shall bear interest at the rates as follows:

Year (July 1)	Principal <u>Amount</u>	Interest <u>Rate</u>
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* Term Bond

(c) *General Terms of the Bonds*

(i) The Bonds, when issued, will be registered in the name of Cede & Co., as nominee of the Depository, and shall be evidenced by one Bond for each maturity in the total aggregate principal amount of the Bonds of such maturity. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.10 hereof. So long as Cede & Co. is the registered owner of the Bonds, as nominee of the Depository, references herein to the Bondholders, holders or registered owners shall mean Cede & Co. as aforesaid and shall not mean the “beneficial owners” of the Bonds.

(ii) The principal and redemption price of and interest on the Bonds shall be payable in lawful money of the United States of America upon surrender at the Principal Corporate Trust Office. The interest on any Bond shall be payable to the person whose name appears on the registration books of the Bond Trustee as the registered owner thereof as of the close of business on the Record Date for the Interest Payment Date, such interest to be paid by check mailed by first class mail, postage prepaid, on the Interest Payment Date, to the registered owner at his or her address as it appears on such registration books. Notwithstanding the foregoing, however, any Holder of \$1,000,000 or more in an aggregate principal amount of the Bonds shall be entitled to receive payments of interest on the Bonds held by it by wire transfer of immediately available funds to such bank or trust company located within the United States of America as such other Holder shall designate in writing to the Bond Trustee by the applicable Record Date for such payment. So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds are payable in same day funds by the Bond Trustee to Cede & Co., as

nominee for the Depository, and the payment of principal or redemption price shall be made without presentment.

(iii) Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Bondholder on such Record Date and shall be paid to the person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest. The Special Record Date shall be fixed by the Bond Trustee, notice thereof being given to the Bondholders not less than 10 days prior to such Special Record Date.

SECTION 2.03. [Reserved].

SECTION 2.04. Restrictions on Registration and Transfer of the Bonds.

(a) Notwithstanding any other provision hereof, the Bonds may not be registered in the name of, or transferred to, and the Beneficial Owner cannot be, any person except an Accredited Investor or a Qualified Institutional Buyer; provided however, pursuant to Section 2.11, Bonds registered in the name of the Depository or its nominee shall be deemed to comply with this Section so long as each beneficial owner of the Bonds is an Accredited Investor or a Qualified Institutional Buyer. On the Closing Date, each initial Beneficial Owner shall provide to the Authority and the Bond Trustee an executed Investor Letter, substantially in the form attached hereto as EXHIBIT D. The Bond Trustee shall have no duty or obligation to determine whether any Registered Owner or Beneficial Owner is an Accredited Investor or a Qualified Institutional Buyer, and the Bond Trustee shall be fully protected in relying upon any Investor Letter delivered to it.

(b) The foregoing limitation shall cease to apply (without notice to or consent of any Bondholder) upon and after receipt by the Bond Trustee from the Borrower of a rating letter by Fitch, S&P or Moody's indicating that the Bonds are rated "A-" or "A3," as applicable, or better. The Bond Trustee shall as soon as practicable, but in no event more than 10 calendar days after receipt by the Bond Trustee of such rating letter, notify each Bondholder that the (i) restrictions set forth in this Indenture requiring that the Beneficial Owners of the Bonds be Accredited Investors or Qualified Institutional Buyers shall be of no further force or effect and (ii) Authorized Denominations shall thereafter be \$5,000 and any integral multiple in excess thereof.

(c) Each purchaser of any Bond or ownership interest therein will be deemed to have acknowledged, represented, warranted, and agreed with and to the Authority, the Borrower, the Underwriter and the Bond Trustee as follows:

(i) That the Bonds are payable solely from certain revenues derived by the Authority under the Loan Agreement, and from certain funds and accounts established and maintained pursuant to this Indenture;

(ii) That it is a Qualified Institutional Buyer or an Accredited Investor and that it is purchasing the Bonds for its own account and not with a view to, or for offer or sale in connection with any distribution thereof in violation of the Securities Act of 1933 or other applicable securities laws;

(iii) That the Bonds (a) have not been registered under the Securities Act of 1933 and are not registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, and (c) may not be readily marketable;

(iv) That none of the Authority or any of its members, officers or employees takes any responsibility for, and the purchaser is not relying upon any such parties with respect to the information appearing anywhere in the Offering Document, other than the information under the headings “THE AUTHORITY,” and “ABSENCE OF MATERIAL LITIGATION – The Authority” (collectively, the “Authority’s Portion” of the Offering Document) and that none of such parties have participated in the preparation of the Offering Document;

(v) That the Bonds and beneficial ownership interests therein may only be transferred to Qualified Institutional Buyers or Accredited Investors; and

(vi) That the Authority, the Borrower, the Lessee, the Bond Trustee, the Underwriter and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

SECTION 2.05. Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the manual or facsimile signature of its Chairperson. The Bonds shall then be delivered to the Bond Trustee for registration and authentication by it. In case any of the officers who shall have signed any of the Bonds shall cease to be such officer or officers before the Bonds so signed shall have been authenticated or delivered by the Bond Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority. Also, any Bond may be signed on behalf of the Authority by such persons as on the actual date of the execution of such Bond shall be the proper officers although on the nominal date of such Bond any such person shall not have been such officer. Only such of the Bonds as shall bear thereon a certificate of authentication and registration in substantially the form set forth in Exhibit A hereto, manually executed by the Bond Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Bond Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.06. Transfer of Bonds. The registration of any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 of this Indenture, by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Bond Trustee, duly executed. The Bond Trustee shall require the payment by the Holder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, and there shall be no other charge to any Holder for any such transfer. The Bond Trustee shall not be required to register the transfer of any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in

part as provided in Section 4.01 hereof or Section 4.02 hereof or during the period established by the Bond Trustee for selection of Bonds for redemption.

SECTION 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Bond Trustee for a like aggregate principal amount of the Bonds of the same maturity of other authorized denominations. The Bond Trustee shall require the payment by the Holder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange, and there shall be no other charge to any Holder for any such exchange. No exchange of Bonds shall be required to be made during the period established by the Bond Trustee for selection of Bonds for redemption and after a Bond has been selected for redemption.

SECTION 2.08. Bond Register. The Bond Trustee shall keep or cause to be kept, at its Principal Corporate Trust Office, sufficient books for the registration of transfer of the Bonds, which shall at all reasonable times during normal business hours upon reasonable notice be open to inspection by the Authority; and, upon presentation for such purpose, the Bond Trustee shall, under such reasonable regulations as it may prescribe, register the transfer or cause to be registered the transfer, on said books, of Bonds as hereinbefore provided.

SECTION 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the Authority, shall be in registered form and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Bond Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office of the Bond Trustee, and the Bond Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations, of the same maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Holder of said Bond, shall execute, and the Bond Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Bond Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Bond Trustee shall be canceled by it and delivered to, or upon the order of, the Authority. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Bond Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Authority, at the expense of the Holder, shall execute, and the Bond Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any Bond mutilated, lost, destroyed or stolen shall have matured, instead of issuing a substitute Bond the Bond Trustee may pay the same without surrender upon receipt of indemnity satisfactory to the Bond Trustee. The Authority may require payment from the Holder of a sum not exceeding the actual cost of preparing each new Bond issued under this

Section and of the expenses which may be incurred by the Authority and the Bond Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

SECTION 2.11. Use of Depository. Notwithstanding any provision of this Indenture to the contrary:

(a) The Bonds initially shall be registered as provided in Section 2.02 hereof. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of the Depository or its nominee, or to any Substitute Depository designated pursuant to clause (ii) of this subsection (a) ("Substitute Depository"); provided that any successor of the Depository or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) To any Substitute Depository designated by the Authority (at the direction of the Borrower), upon (1) the resignation of the Depository or its successor (or any Substitute Depository or its successor) from its functions as depository or (2) a determination by the Authority (at the direction of the Borrower) that the Depository or its successor (or any Substitute Depository 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

(iii) To any person as provided below, upon (1) the resignation of the Depository or its successor (or Substitute Depository or its successor) from its functions as depository; provided that no Substitute Depository can be obtained or (2) a determination by the Authority (with the concurrence of the Borrower) that it is in the best interests of the Authority to remove the Depository or its successor (or any Substitute Depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Bond Trustee, together with a Request of the Authority to the Bond Trustee, a single new Bond for each maturity shall be executed and delivered in the aggregate principal amount of the Bonds of such maturity 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 Request of the Authority. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Bond Trustee, new Bonds shall be executed and delivered in such denominations numbered in consecutive order from R-1 up and registered in the names of such persons as are requested in such a Request of the Authority, subject to the limitations of Section 2.02 hereof, provided the Bond Trustee shall not be required to

deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a Request of the Authority.

(c) In the case of an advance refunding of the Bonds, if any, evidencing all or a portion of the principal amount then Outstanding, the Depository shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in principal.

(d) The Authority and the Bond Trustee shall be entitled to treat the person in whose name any Bond is registered as the Bondholder thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Bond Trustee or the Authority; and the Authority and the Bond Trustee shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the Authority nor the Bond Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including the Depository or its successor (or Substitute Depository or its successor), except for the Holder of any Bond.

(e) So long as the Outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the Authority and the Bond Trustee shall cooperate with Cede & Co., as sole registered Bondholder, and its registered assigns in effecting payment of the principal of and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

SECTION 2.12. Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Bond Trustee with respect to or in connection with the Loan Agreement. The recital contained in the Bonds that the same are issued pursuant to the Act and the Constitution and laws of the State shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE III

ISSUANCE OF BONDS; ESTABLISHMENT OF CERTAIN FUNDS AND APPLICATION OF PROCEEDS

SECTION 3.01. Authentication and Delivery of Bonds. At any time after the execution of this Indenture, the Authority may execute the Bonds, and the Bond Trustee, upon the Order of the Authority, shall authenticate and deliver the Bonds in accordance with Article II of this Indenture, in each case exclusive of the Bonds executed and authenticated as provided in Section 2.08 hereof.

SECTION 3.02. Application of Proceeds of Bonds and Certain Other Moneys.

(a) The Bond Trustee hereby agrees to establish and maintain hereunder, in trust, the funds described in Article V herein.

(b) The Bond Trustee shall accept a portion of the proceeds received from the sale of the Tax-Exempt Bonds in the amount of \$[] (consisting of the par amount of the Tax-Exempt Bonds of \$[PARA], [plus/less] original issue [premium/discount] of \$[], less underwriter's discount of \$[]).

(c) The Bond Trustee shall accept a portion of the proceeds received from the sale of the Taxable Bonds in the amount of \$[] (consisting of the par amount of the Taxable Bonds of \$[PARB], less underwriter's discount of \$[]).

(d) The Authority shall wire to the Bond Trustee the amount of \$[], which shall be deposited by the Bond Trustee into the Grant-Funded Reserve Subaccount.

(e) The Bond Trustee shall deposit the amounts received pursuant to Section 3.02(b), (c) and (d) hereof, in the following funds and accounts in the following amounts:

	<u>Tax-Exempt Bonds</u>	<u>Taxable Bonds</u>	<u>Grant Funds</u>	<u>Total</u>
Costs of Issuance Fund	\$[]	\$[]	--	\$[]
[Project Fund]	\$[]	--	--	\$[]
Reserve Account	--	--	\$[]	\$[]
Grant-Funded Reserve Subaccount	\$[]	--	--	\$[]
Capitalized Interest Subaccount	\$[]	--	--	\$[]

(f) On the Closing Date, the Bond Trustee shall apply \$[] of the proceeds of the Bonds to redeem the Prior Obligations in full.

ARTICLE IV

REDEMPTION OF THE BONDS

SECTION 4.01. Special Redemption.

(a) **Extraordinary Optional Redemption from Insurance and Condemnation Proceeds.** The Bonds are subject to redemption prior to their stated maturity, at the option of the Borrower, as a whole or in part on any date from moneys required to be transferred from the Insurance and Condemnation Proceeds Fund to the Special Redemption Account at a redemption price equal to 100% of the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date of redemption[, plus an amount equal to the unamortized portion of the net original issue premium thereon interpolated on a straight-line basis].

(b) **Reserved.**

(c) **Extraordinary Mandatory Redemption Due to Change of Use.** The Bonds are subject to redemption prior to their stated maturity, as a whole or in part, on any date from Loan prepayments made by the Borrower in the event the Project is used or

operated in any manner that violates the provisions of the Act, at a redemption price equal to 100% of the principal amount of the Bonds called for redemption plus interest accrued thereon to the date fixed for redemption, on the earliest date for which notice of redemption can reasonably be given in accordance with this Indenture.

(d) **Extraordinary Optional Redemption Relating to Revocation or Non-Renewal of School Charter.** The Bonds are subject to redemption in whole prior to their stated maturity, on any date, at the option of the Borrower, in the event the charter of the School is revoked or not renewed by its authorizer and the School has no further appeal rights, at a redemption price equal to the principal amount thereof together with interest accrued thereon to the date fixed for redemption, on the earliest date for which notice of redemption can reasonably be given in accordance with this Indenture.

SECTION 4.02. Optional Redemption.

(a) The Tax-Exempt Bonds are subject to redemption prior to their respective stated maturities, at the option of the Borrower from any amounts in the Redemption Fund, in whole or in part on any date on or after July 1, 20[___], at a redemption price equal to the 100% of the principal amount of Tax-Exempt Bonds called for redemption set forth in the table below, plus accrued interest to the date fixed for redemption.

(b) The Taxable Bonds are not subject to redemption prior to their respective stated maturities at the option of the Borrower.

SECTION 4.03. Mandatory Sinking Account Redemption.

The Bonds are subject to redemption prior to their respective stated maturities in part, by lot, from Mandatory Sinking Account Payments pursuant to Section 5.04(c) hereof. If any of the Bonds to be redeemed as designated in Section 4.01 and 4.02 hereinabove are Term Bonds, the Borrower shall provide to the Bond Trustee a revised sinking fund schedule giving effect to the redemption so completed and setting forth the years in which Sinking Fund Installments are to be reduced and the amount by which the Sinking Fund Installments are to be reduced.

SECTION 4.04. Notice of Redemption. In connection with the redemption of the Bonds pursuant to Sections 4.01, 4.02 and 4.03 herein, the Borrower shall give notice of redemption to the Bond Trustee (with a copy to the Authority) not less than thirty (30) days prior to the redemption date (or such shorter notice as the Bond Trustee may approve). Notice of redemption of any Bonds shall be given by the Bond Trustee upon such written request of the Borrower. Notice of any redemption of Bonds shall be mailed postage prepaid by the Bond Trustee, not less than thirty (30) nor more than sixty (60) days prior to the redemption date by first class mail to the respective Holders thereof at the addresses appearing on the bond registration books described in Section 2.08. Each notice of redemption shall contain all of the following information:

- (a) the date of such notice;
- (b) the name of the Bonds and the date of issue of the Bonds;
- (c) the redemption date;

- (d) the redemption price;
- (e) the dates of maturity of the Bonds to be redeemed;
- (f) if less than all of the Bonds of any maturity are to be redeemed, the distinctive numbers of the Bonds of each maturity to be redeemed;
- (g) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed;
- (h) the CUSIP number, if any, of each maturity of Bonds to be redeemed;
- (i) a statement that such Bonds must be surrendered by the Holders at the Principal Corporate Trust Office of the Bond Trustee, or at such other place or places designated by the Bond Trustee;
- (j) a statement that such redemption is conditioned upon the receipt by the Bond Trustee, on or prior to the redemption date, of moneys sufficient to pay the redemption price or upon the happening of such other event as shall be specified therein, and if such moneys shall not have been so received, said notice shall be rescinded and the redemption shall be cancelled;
- (k) a statement that any such redemption notice can be rescinded as provided in the Indenture; and
- (l) notice that further interest on such Bonds, if any, will not accrue from and after the designated redemption date.

Such redemption notices may state that no representation is made as to the accuracy or correctness of the CUSIP numbers provided therein or on the Bonds. If money is not received as described in Section 4.04(j), the Bond Trustee, within a reasonable time after the date on which such redemption was to occur, shall give notice to the persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of the Bonds pursuant to the notice of redemption. Failure of the Bond Trustee to give such notice or any defect therein shall not in any way impair or affect the validity of the proceedings for redemption.

Any notice of optional redemption may state that such redemption shall be conditioned (“Conditional Notice”) upon the receipt by the Bond Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed or upon the occurrence of such other event or condition as shall be set forth in such Conditional Notice, and that, if such moneys shall not have been so received, or if such other event or condition shall have occurred or failed to occur (as the case may be), such Conditional Notice shall be of no force and effect and the redemption of the Bonds specified in the Conditional Notice shall no longer be required. The Bond Trustee shall within a reasonable time thereafter give notice, in the manner in which the original Conditional Notice was given, of the cancellation of such redemption.

Notwithstanding the foregoing, in connection with the redemption of any Bonds held through the book-entry-only system of the Depository Trust Company (“DTC”), in the event of any conflict between the notice requirements of this Indenture and the requirements and procedures of DTC, the requirements and procedures of DTC shall control.

SECTION 4.05. Effect of Notice. A certificate of the Bond Trustee or the Borrower that notice of call and redemption has been given to Holders as provided herein and as may be further required in the Continuing Disclosure Agreement shall be conclusive as against all parties. The actual receipt by the Holder of any Bond or any other party of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest, if any, on the date fixed for redemption.

Notice of redemption having been given, and the redemption price of the Bonds called for redemption being on deposit or otherwise available to the Bond Trustee, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest, if any, shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Holders of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to the escrow fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Bond Trustee and shall not be reissued.

SECTION 4.06. Right to Rescind Notice. Upon written notice, or oral notice, promptly confirmed by written notice, from the Borrower that the Borrower has cured the conditions that caused the Bonds to be subject to extraordinary redemption pursuant to Section 4.01 hereof, the Borrower may rescind any extraordinary redemption and notice thereof on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Holders of the Bonds so called for redemption, with a copy to the Bond Trustee. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Holder of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

SECTION 4.07. Funds for Redemption. Prior to or on the redemption date of any Bonds there shall be available in the Redemption Fund, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the premiums payable as in this Indenture provided, the Bonds designated in said notice of redemption. Such monies so set aside in the Redemption Fund or in the escrow fund established for such purpose shall be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all monies in the Redemption Fund shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the Redemption Fund, unless otherwise provided for to be paid from an escrow fund established for such purpose. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the Redemption Fund or otherwise held in trust for the payment of redemption price of the Bonds, said

monies shall be held in or returned or transferred to the Redemption Fund for payment of any outstanding Bonds of the Borrower payable from said fund; provided, however, that if said monies are part of the proceeds of refunding Bonds of the Borrower, said monies shall be transferred to the fund created for the payment of principal of and interest on such Bonds. If no such refunding Bonds of the Borrower are at such time outstanding, said monies shall be transferred to the general fund of the Borrower as provided and permitted by law.

SECTION 4.08. Selection of Bonds for Redemption. When any redemption is made pursuant to any of the provisions of this Indenture and less than all of the Outstanding Bonds are to be redeemed, the Bond Trustee shall select the Bonds to be redeemed from the Outstanding Bonds not previously called for redemption, by lot within a maturity and, if from more than one maturity, in inverse order of maturity or in such other order of maturity as shall be specified in a Request of the Borrower and the Mandatory Sinking Account Payments shall be reduced pro-rata. In no event shall Bonds be redeemed in amounts other than whole multiples of Authorized Denominations. For purposes of redeeming Bonds in denominations greater than minimum Authorized Denominations, the Bond Trustee shall assign to such Bonds a distinctive number for each such principal amount and, in selecting Bonds for redemption by lot, shall treat such amounts as separate Bonds. The Bond Trustee shall promptly notify the Authority and the Borrower in writing of the numbers of the Bonds selected for redemption.

SECTION 4.09. Purchase in Lieu of Redemption. The Borrower shall have the option to cause the Bonds to be purchased in lieu of any scheduled redemption pursuant to this Article IV. Such option may be exercised by delivery to the Bond Trustee on or prior to the Business Day preceding the scheduled redemption date of a written notice of the Borrower, specifying that the Bonds shall not be redeemed, but instead shall be purchased by the Borrower. Upon delivery of such notice, the Bonds shall not be redeemed but shall instead be subject to purchase by the Borrower at the applicable redemption price, which shall be payable on the date that would have been the redemption date. The principal amount of Bonds so purchased in lieu of redemption shall be applied as a credit to the next Mandatory Sinking Account Payment for the applicable series of Bonds. The Borrower may at any time surrender to the Bond Trustee for cancellation by it any Bonds previously issued and delivered, which the Borrower may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, will be deemed to be paid and retired.

ARTICLE V

PLEDGE AND ASSIGNMENT; ESTABLISHMENT AND APPLICATION OF FUNDS AND ACCOUNTS

SECTION 5.01. Pledge and Assignment.

(a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, there are hereby pledged to secure the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of this Indenture, all of the Payments (except Payments described in clause (i) of the definition thereof) and any other amounts (excluding proceeds of the sale of Bonds) held in any fund or account (other than the Rebate Fund) established

pursuant to this Indenture. Said pledge shall constitute a lien on and security interest in such assets and shall attach and be valid and binding from and after delivery of the Bonds, without any physical delivery thereof or further act.

(b) The Authority hereby assigns to the Bond Trustee, for the benefit of the Holders from time to time of the Bonds, all of the Payments (except Payments described in clause (i) of the definition thereof) and other amounts pledged in paragraph (a) of this Section and all of the right, title and interest of the Authority in, to and under the Loan Agreement (except for the Retained Rights). The Bond Trustee shall be entitled to and shall receive all of such assigned Payments, and any such Payments collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Bond Trustee and shall forthwith be paid by the Authority to the Bond Trustee. The Bond Trustee also shall be entitled to and shall (subject to the provisions of this Indenture, including its rights and protections hereunder) take all steps, actions and proceedings following any event of default under the Loan Agreement reasonably necessary in its judgment (or as directed in writing by a majority of the Holders) to enforce, either jointly with the Authority or separately, all of the rights of the Authority assigned to the Bond Trustee and all of the obligations of the Borrower under the Loan Agreement.

(c) The Borrower shall take all actions necessary for the Bond Trustee to collect directly from the State Controller the amounts set forth in the Intercept Notice on the dates set forth in the Intercept Notice. The Payments described in clause (i) of the definition thereof are assigned to the Bond Trustee, for the benefit of the Holders of the Bonds, by virtue of the filing of the Intercept Notice with the State Controller. The Bond Trustee shall be entitled to and shall receive all of such assigned Payments.

(d) All Payments shall be promptly deposited by the Bond Trustee upon receipt thereof in a special fund designated as the “Revenue Fund” which the Bond Trustee is hereby directed to establish, maintain and hold in trust. All Payments shall be held in trust for the benefit of the Holders from time to time of the Bonds but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes hereinafter in this Article V set forth.

(e) The Bonds are not and shall not be deemed to constitute a debt or liability of the State, or any political subdivision thereof, and are not and shall not be deemed to be a pledge of the faith and credit of the State, or any political subdivision thereof, other than the Authority, which shall be obligated to pay the Bonds solely from the Payments and funds herein provided therefor. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatsoever for the Bonds or to make any appropriation for their payment. Nothing in this Indenture, the Act or otherwise is an undertaking by the Authority or the State or any political subdivision thereof to fund the transfers described in the Intercept Notice or to funds available to the Lessee in any amount or at any time.

SECTION 5.02. Allocation of Payments. Promptly upon receipt, the Bond Trustee shall deposit the Payments to the Revenue Fund. On or before the 25th day of each month, commencing

[] 25, 2023, the Bond Trustee shall transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Bond Trustee shall establish and maintain within the Revenue Fund) and then to the Repair and Replacement Fund, to the Rebate Fund, to the Administration Fund , the following amounts, in the following order of priority, the requirements of each such account or fund (including the making up of any deficiencies in any such account resulting from lack of Payments sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account or fund subsequent in priority; provided, however, no moneys deposited in the Revenue Fund pursuant to the Intercept shall be deposited to the Rebate Fund:

(a) To the Interest Account, one-sixth of the amount of interest becoming due and payable on the next succeeding Interest Payment Date on all Bonds then Outstanding, until the balance in said account is equal to said aggregate amount of interest, provided that from the date of delivery of the Bonds to the first Interest Payment Date with respect to the Bonds (if less than six months), transfers to the Interest Account shall be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on such Interest Payment Date;

(b) To the Principal Account, one-twelfth of the aggregate amount of principal becoming due to redeem or pay Bonds or to make Mandatory Sinking Account Payments on the next succeeding Principal Payment Date, until the balance in said Principal Account is equal to said aggregate amount of such principal and Mandatory Sinking Account Payments; provided that from the date of delivery of the Bonds until the first Principal Payment Date with respect to the Bonds (if less than twelve months), transfers to the Principal Account shall be sufficient on a monthly pro rata basis to pay the principal and Mandatory Sinking Account Payments becoming due and payable on said Principal Payment Date;

(c) To the Grant-Funded Reserve Subaccount of the Reserve Account, (a) the greater of (i) the amount designated for deposit to the Grant-Funded Reserve Subaccount of the Reserve Account in a written direction of the Borrower, and (ii) the aggregate, combined amount of all prior withdrawals made from the Grant-Funded Reserve Subaccount of the Reserve Account to make up a deficiency in the Interest Account or the Principal Account, until the balance in the Grant-Funded Reserve Subaccount of the Reserve Account has been restored to its pre-withdrawals level, and (b) in the event the balance in said subaccount shall be less than the amount deposited in such subaccount pursuant to Section 3.02(d) hereof due to valuation of the Eligible Securities deposited therein in accordance with Section 5.05 hereof, the amount necessary to increase the balance in said subaccount to an amount at least equal to the amount deposited in such subaccount pursuant to Section 3.02(d) hereof (until deposits on account of such valuation deficiency are sufficient to increase the balance in said account to said amount);

(d) To the Bond Reserve Account, (a) the greater of (i) the amount designated for deposit to the Bond Reserve Subaccount of Reserve Account in a written direction of the Borrower, and (ii) one-half of the aggregate amount of each prior withdrawal from the Reserve Account for the purpose of making up a deficiency in the Interest Account or Principal Account (until deposits on account of such withdrawal are sufficient to fully

restore the amount withdrawn), provided that no deposit need be made into the Reserve Account if the balance in said account is at least equal to the Reserve Account Requirement, and (b) in the event the balance in said account shall be less than the Reserve Account Requirement due to valuation of the Eligible Securities deposited therein in accordance with Section 5.05, the amount necessary to increase the balance in said account to an amount at least equal to the Reserve Account Requirement (until deposits on account of such valuation deficiency are sufficient to increase the balance in said account to said amount);

(e) To the Repair and Replacement Fund, \$[____], on the first Business Day of each month commencing [____] 25, 2023, until the balance therein is at least equal to the Repair and Replacement Fund Requirement, and thereafter (i) the greater of (A) the amount designated for deposit in the Repair and Replacement Fund in a written direction of the Borrower, and (B) one-sixth of the aggregate amount of each prior withdrawal from the Repair and Replacement Fund, provided that no deposit need be made into the Repair and Replacement Fund if the balance in said account is at least equal to the Repair and Replacement Fund Requirement, and (ii) in the event the balance in said account shall be less than the Repair and Replacement Fund Requirement due to valuation of the Eligible Securities deposited therein in accordance with Section 5.10 or due to an increase in the Repair and Replacement Fund Requirement, the amount necessary to increase the balance in said account to an amount at least equal to the Repair and Replacement Fund Requirement (until deposits on account of such valuation deficiency, if any, are sufficient to increase the balance in said account to said amount);

(f) To the Rebate Fund, such amounts as are required to be deposited therein by this Indenture (including the Tax Regulatory Agreement); and

(g) To the Administration Fund, an amount equal to one twelfth of the annual Administrative Fees and Expenses.

Moneys remaining in the Revenue Fund after the foregoing transfers shall be transferred on the first Business Day of each month, commencing [____] 1, 2023, by the Bond Trustee to or at the direction of the Borrower free and clear of the lien of this Indenture.

SECTION 5.03. Application of Interest Account.

(a) All amounts in the Interest Account shall be used and withdrawn by the Bond Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

(b) Within the Interest Account, the Bond Trustee shall establish and maintain the Capitalized Interest Subaccount. The Bond Trustee shall make transfers from the Capitalized Interest Subaccount to the Interest Account, of one-[____] of the following amounts, on the 5th of each month in the following date ranges.

Date

*Capitalized Interest Subaccount Transfer
Amount*

[_____]

(c) Following the final transfers set forth under Sections 5.03(a) above, the Capitalized Interest Subaccount shall be closed.

SECTION 5.04. Application of Principal Account.

(a) All amounts in the Principal Account shall be used and withdrawn by the Bond Trustee solely for the purpose of paying the principal or Mandatory Sinking Account Payments of the Bonds, as provided herein with respect to Bonds.

(b) The Bond Trustee shall establish and maintain within the Principal Account a separate subaccount for the Bonds, designated as the “_____ Sinking Account,” inserting therein the Series and maturity (if more than one such account established) for each Term Bond. On or before July 1 in each year, the Bond Trustee shall transfer the amount deposited in the Principal Account on that date pursuant to Section 5.02 from the Principal Account to the Sinking Account for the purpose of making a Mandatory Sinking Account Payment (if such deposit is required in such month). With respect to the Sinking Account, on each Mandatory Sinking Account Payment date established for the Sinking Account, the Bond Trustee shall transfer the amount deposited in the Principal Account pursuant to Section 5.02 for the purpose of applying the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Bonds, upon the notice and in the manner provided in Article IV; provided that, at any time prior to giving such notice of such redemption, the Bond Trustee shall apply such moneys to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Borrower may direct, in writing, except that the purchase price (excluding accrued interest) shall not exceed the par amount of such Bonds. If, during the twelve-month period immediately preceding said Mandatory Sinking Account Payment date, the Bond Trustee has purchased Bonds with moneys in the Sinking Account, or, during said period and prior to giving said notice of redemption, the Borrower has deposited Bonds with the Bond Trustee, or Bonds were at any time purchased or redeemed by the Bond Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Bonds so purchased or deposited or redeemed shall be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. In the event of a redemption pursuant to Section 4.02 hereof, the Borrower shall provide the Bond Trustee with a revised sinking fund schedule giving effect to the optional redemption so completed. All Bonds purchased or deposited pursuant to this subsection shall be delivered to the Bond Trustee and cancelled. Any amounts remaining in the Sinking Account when all of the Bonds are no longer Outstanding shall be withdrawn by the Bond Trustee and transferred to the Revenue Fund. All Bonds purchased from the

Sinking Account or deposited by the Borrower with the Bond Trustee shall be allocated first to the next succeeding Mandatory Sinking Account Payment, then to the remaining Mandatory Sinking Account Payments as the Borrower directs.

(c) Subject to the terms and conditions set forth in this Section and in Section 4.03, the Term Bonds shall be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments in the following amounts and on the following dates:

(i) The Tax-Exempt Term Bonds maturing on July 1, 20[] are subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments in the following amounts and on the following dates:

Mandatory Redemption Date (July 1)	Principal Amount (\$)
---------------------------------------	--------------------------

* Maturity.

(ii) The Tax-Exempt Term Bonds maturing on July 1, 20[] are subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments in the following amounts and on the following dates:

Mandatory Redemption Date (July 1)	Principal Amount (\$)
---------------------------------------	--------------------------

* Maturity.

(iii) The Tax-Exempt Term Bonds maturing on July 1, 20[] are subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments in the following amounts and on the following dates:

Mandatory Redemption Date (July 1)	Principal Amount (\$)
---------------------------------------	--------------------------

* Maturity.

(iv) The Taxable Term Bonds maturing on July 1, 20[] are subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments in the following amounts and on the following dates:

Mandatory Redemption Date (July 1)	Principal Amount (\$)
---------------------------------------	--------------------------

* Final Maturity.

In the event of any extraordinary redemption or optional redemption of such Term Bonds, the Borrower shall provide the Trustee with a revised sinking fund schedule giving effect to the redemption so completed.

SECTION 5.05. Application of Reserve Account.

(a) Within the Reserve Account, the Bond Trustee shall establish and maintain the Bond Reserve Subaccount and the Grant-Funded Reserve Subaccount. All amounts in the Reserve Account shall be used and withdrawn by the Bond Trustee solely for the purpose of making up any deficiency in the Interest Account or Principal Account that exists on the date when monies on deposit in the Interest Account or the Principal Account are required to be applied, as provided in Sections 5.03 and 5.04 hereof, or (together with any other moneys available therefor) for the payment or redemption of all Bonds then Outstanding, provided, however, that monies and securities held by the Bond Trustee in the Grant-Funded Reserve Subaccount shall not be used for the redemption of all Bonds then Outstanding pursuant to Section 4.01 or Section 4.02. The Bond Trustee shall draw from the Bond Reserve Subaccount until exhausted prior to making any draw from the Grant-Funded Reserve Subaccount.

(b) The Bond Trustee shall notify the Authority and the Borrower immediately of any withdrawal from the Reserve Account for the purpose of making up a deficiency in the Interest Account or Principal Account, which notice shall specify the amount of such withdrawal from each of the Bond Reserve Subaccount and the Grant-Funded Reserve Subaccount. The Bond Trustee shall notify the Authority immediately of the final maturity, earlier redemption in full of the Bonds or the date on which no Bonds are Outstanding hereunder (including as provided in Article X hereof).

(c) Immediately following the date on which no Bonds are Outstanding hereunder (including as provided in Article X hereof), the Trustee shall transfer to the Authority any amounts remaining on deposit in the Grant-Funded Reserve Subaccount. Thereafter the Trustee shall close the Grant-Funded Reserve Subaccount.

(d) Amounts on deposit in the Reserve Account shall be valued by the Bond Trustee at their fair market value each January 1 and July 1, and the Bond Trustee shall notify the Borrower of the results of each such valuation. If the amount on deposit in the Reserve Account on the first (1st) Business Day following such valuation is less than one hundred percent (100%) of the Reserve Account Requirement, the Borrower has agreed in the Loan Agreement to make the deposits to the Reserve Account required by Section 5.02. If the amount on deposit in the Reserve Account on the first (1st) Business Day following such valuation is greater than the Reserve Account Requirement, then then (i) the amount of money on deposit in the Grant-Funded Reserve Subaccount greater than \$[] shall be paid to the Authority free and clear of the lien of the Indenture and (ii) any additional excess shall be withdrawn from the Bond Reserve Subaccount of the Reserve Account and transferred to the Revenue Fund.

SECTION 5.06. Establishment and Application of Redemption Fund. The Bond Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Redemption Fund, and within the Redemption Fund, a separate Optional Redemption Account and a separate Special Redemption Account. The Bond Trustee shall accept all moneys deposited for redemption and shall deposit such moneys into the Optional Redemption Account or the Special Redemption Account, as applicable. All amounts deposited in the Optional Redemption Account and in the Special Redemption Account shall be accepted and used and withdrawn by the Bond Trustee solely for the purpose of redeeming Bonds,

in the manner and upon the terms and conditions specified in Article IV, at the next succeeding date of redemption for which notice has not been given and at the redemption prices then applicable to redemptions from the Optional Redemption Account and the Special Redemption Account, respectively; provided that, at any time prior to giving such notice of redemption, the Bond Trustee shall, upon written direction of the Borrower, apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Borrower may direct, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to such Bonds (or, if such Bonds are not then subject to redemption, the par value of such Bonds); and provided further that in the case of the Optional Redemption Account in lieu of redemption at such next succeeding date of redemption, or in combination therewith, amounts in such account may be transferred to the Revenue Fund and credited against Loan Repayments in order of their due date as set forth in a Request of the Borrower.

SECTION 5.07. Rebate Fund.

(a) The Bond Trustee shall establish and maintain, when required, a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Bond Trustee shall maintain such accounts as shall be necessary to comply with instructions of the Borrower given pursuant to the terms and conditions of the Tax Regulatory Agreement. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Bond Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Regulatory Agreement), for payment to the federal government of the United States of America; provided, however, amounts received by the Trustee pursuant to the Intercept Notice shall not be deposited into the Rebate Fund. Neither the Authority, the Borrower nor the Holder of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section, by Section 6.10 and by the Tax Regulatory Agreement (which is incorporated herein by reference). The Bond Trustee shall be deemed conclusively to have complied with such provisions if it follows the directions of the Borrower including supplying all necessary information in the manner provided in the Tax Regulatory Agreement which the Bond Trustee shall be directed by the Borrower to supply, and shall have no liability or responsibility to enforce compliance by the Borrower or the Authority with the terms of the Tax Regulatory Agreement or any other tax covenants contained herein. The Bond Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report or rebate calculations. The Bond Trustee shall have no independent duty to review such calculations or enforce the compliance by the Borrower with such rebate requirements. The Bond Trustee shall have no duty or obligation to determine the applicability of the Code and shall only be obligated to act in accordance with written instructions provided by the Borrower.

(b) Upon the Borrower's written direction, an amount shall be deposited to the Rebate Fund by the Bond Trustee from deposits by the Borrower, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the Borrower in accordance with the Tax Regulatory Agreement. Upon written request by the

Borrower or the Authority, the Bond Trustee is hereby directed to supply to the Borrower and/or the Authority all necessary information in the manner provided in the Tax Regulatory Agreement and specified in such written direction, to the extent such information is reasonably available to the Bond Trustee.

(c) The Bond Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section, other than from moneys held in the funds and accounts created under this Indenture or from other moneys provided to it by the Borrower.

(d) At the written direction of the Borrower, which shall include a statement to the effect that such direction complies with the restrictions set forth in the Tax Regulatory Agreement, the Bond Trustee shall invest all amounts held in the Rebate Fund in Eligible Securities. Moneys shall not be transferred from the Rebate Fund except as provided in paragraph (e) below. The Bond Trustee shall not be liable for any consequences arising from such investment.

(e) Upon receipt of the Borrower's written directions, the Bond Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the Borrower so directs, the Bond Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the Borrower's written directions; provided, however, only moneys in excess of the Rebate Requirement may, at the written direction of the Borrower or the Authority, be transferred out of the Rebate Fund to such other accounts or funds or to anyone other than the United States in satisfaction of the arbitrage rebate obligation. Any funds remaining in the Rebate Fund after each five year remission to the United States of America, redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Requirement, or provision made therefor satisfactory to the Bond Trustee, shall be withdrawn and remitted to the Borrower.

(f) Notwithstanding any other provision of this Indenture, including in particular Article X, the obligation to remit the Rebate Requirement to the United States and to comply with all other requirements of this Section, Section 6.10 and the Tax Regulatory Agreement shall survive the defeasance or payment in full of the Tax-Exempt Bonds.

SECTION 5.08. Establishment and Application of Project Fund.

(a) The Bond Trustee shall establish, maintain and hold in trust a separate fund designated as the "Project Fund." The moneys in the Project Fund shall be disbursed pursuant to Requisitions of the Borrower, which shall be substantially in the form of EXHIBIT B. Each such Requisition of the Borrower shall be sufficient evidence to the Bond Trustee of the facts stated therein and the Bond Trustee shall have no duty to confirm the accuracy of such facts. No moneys in the Project Fund shall be used to pay Costs of Issuance. From time to time, the Borrower may transfer, or cause to be transferred, funds for deposit in the Project Fund prior to the Completion Date.

~~(b)~~ Upon completion of the Project, the Borrower shall deliver a Completion Certificate to the Bond Trustee and make the final requisition of funds from the Project Fund. Any amounts

thereafter remaining in such Project Fund shall be transferred by the Bond Trustee, at the direction of the Borrower (i) to the Redemption Fund for the redemption of Bonds pursuant to Section 4.01(b) hereof, (ii) to the Interest Account for payment of interest on the Bonds, or (iii) to the Borrower, upon delivery to the Bond Trustee of (A) the Completion Certificate, (B) a written request of the Borrower and (C) delivery of an Opinion of Bond Counsel substantially to the effect that such transfer would not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds. Upon such transfer, the Project Fund shall be closed.

SECTION 5.09. Establishment and Application of Costs of Issuance Fund; Insurance and Condemnation Proceeds Fund.

(a) The Bond Trustee shall establish, maintain and hold in trust a separate fund designated as the “Costs of Issuance Fund.” Moneys deposited in said fund shall be used and withdrawn by the Bond Trustee to pay the Costs of Issuance of the Bonds upon Requisition of the Borrower stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund, and including a copy of the invoice or statement evidencing the costs incurred. On the one hundred eightieth (180th) day following the initial issuance of the Bonds, or upon the earlier Request of the Borrower, amounts, if any, remaining in the Costs of Issuance Fund shall be transferred to the Project Fund and thereafter, the Costs of Issuance Fund shall be closed.

(b) As and when needed, the Master Trustee shall establish, maintain and hold in trust a separate fund designated as the “Insurance and Condemnation Proceeds Fund,” and administer said fund as set forth in Section 3.03 of the Master Indenture of Trust.

SECTION 5.10. Establishment and Application of the Repair and Replacement Fund.

(a) The Bond Trustee shall establish, maintain and hold in trust a separate fund designated as the “Repair and Replacement Fund,” which shall be used solely for the purposes set forth in this Section 5.10.

(b) The Bond Trustee shall withdraw funds from the Repair and Replacement Fund to pay for capital items not budgeted as ordinary maintenance and repair costs related to the Facilities.

(c) Moneys in the Repair and Replacement Fund to be used for the purpose described in the preceding paragraph subsection (b) shall be disbursed upon receipt of a Requisition of the Borrower for payment substantially in the form attached hereto as EXHIBIT C, which, by this reference thereto, is incorporated herein, executed by the Authorized Borrower Representative, and the Bond Trustee shall issue its checks for each such disbursement upon receipt of such a requisition. The Bond Trustee may conclusively rely upon such Requisition and shall have no responsibility or duty to investigate any of the matters set forth therein.

(d) Amounts on deposit in the Repair and Replacement Fund shall be valued by the Bond Trustee at their fair market value each January 1 and July 1, beginning [July 1, 20__], and the Bond Trustee shall notify the Borrower of the results of such valuation in the form of its regular periodic statement. If the amount on deposit in the Repair and Replacement Fund on the first (1st) Business Day following such valuation is less than one hundred percent (100%) of the Repair and Replacement Fund Requirement, the Borrower has agreed in the Loan Agreement to make the deposits in the Repair and Replacement Fund required by Section 5.02 hereof. If the amount on deposit in the Repair and Replacement Fund on the first (1st) Business Day following such valuation is greater than the Repair and Replacement Fund Requirement, then any additional excess shall be withdrawn from the Repair and Replacement Fund and transferred to the Revenue Fund.

(e) When (i) the amount of principal of, and premium, if any, and interest on the Outstanding Bonds is equal to or less than the sum of the balance of the Revenue Fund, the balance of the Redemption Fund and the balance of the Repair and Replacement Fund, and (ii) all other amounts owed under the Loan Agreement and this Indenture shall have been paid, moneys held in the Repair and Replacement Fund may be deposited into the Revenue Fund and credited against payments of Loan Repayments required under Section 3.02 of the Loan Agreement.

SECTION 5.11. Establishment and Application of Administration Fund. The Bond Trustee shall establish, maintain and hold in trust a separate fund designated as the “Administration Fund.” The Trustee shall deposit in the Administration Fund such amounts required to be deposited in the Administration Fund hereunder or under the Loan Agreement. The Trustee shall disburse amounts in the Administration Fund necessary for payment of Administrative Fees and Expenses when due.

SECTION 5.12. Extraordinary Monthly Rent Notice. If on the 25th of any month the Bond Trustee does not receive sufficient payments to make all deposits and or payments required under Section 5.02 hereof, the Bond Trustee shall notify the Borrower and the Lessee in writing of the deficiency (each such notice, an “Extraordinary Monthly Rent Notice”).

SECTION 5.13. Reserved.

SECTION 5.14. Investment of Moneys in Funds and Accounts. All moneys in any of the funds and accounts or subaccounts thereof established pursuant to this Indenture other than the Grant-Reserve Subaccount of the Reserve Account shall be invested by the Bond Trustee solely in such Eligible Securities as are specified in a Request of the Borrower. If no such Request of the Borrower is made the Trustee shall hold such moneys uninvested.

All moneys in the Grant-Funded Reserve Subaccount of the Reserve Account shall be invested by the Bond Trustee solely in such Grant-Funded Reserve Eligible Securities as are specified in a Request of the Borrower, provided, however, that, if the Borrower does not file such a Request with the Bond Trustee, the Bond Trustee shall invest to the extent practicable in investments described in clause five (5) of the definition of the term “Grant-Funded Reserve Eligible Securities” in Section 1.01 of this Indenture; provided, however, that any such investment shall be made by the Bond Trustee only if, prior to the date on which such investment is to be

made, the Bond Trustee shall have received a Request of the Borrower specifying a specific money market fund and, if no such Request of the Borrower is so received, the Bond Trustee shall hold such moneys uninvested.

The Bond Trustee may conclusively rely upon the Requests of the Borrower as to both the suitability and legality of the directed investments, and such Request shall be deemed to be a certification to the Bond Trustee that the directed investments constitute Eligible Securities or, with respect to the Grant-Funded Reserve Subaccount, Grant-Funded Reserve Eligible Securities.

All interest, profits and other income received from the investment of moneys shall be deposited in the Revenue Fund; provided, however, all interest, profits and other income received from the investment of moneys in the Bond Reserve Subaccount and the Repair and Replacement Fund shall remain in such Subaccount and transferred to the Revenue Fund only in accordance with Section 5.05(d) and 5.10(d), respectively. The Borrower acknowledges the Bond Trustee shall determine the fair market value of investments held in the funds and accounts hereunder in accordance with the price provided by pricing services and sources relied upon by the Bond Trustee and the Bond Trustee does not have any duty to independently value any investment.

Investments in any and all funds and accounts established pursuant to this Indenture may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in a particular fund amounts received or held by the Bond Trustee hereunder, provided that the Bond Trustee shall at all times account for such investments strictly in accordance with the particular funds to which they are credited and otherwise as provided in this Indenture. The Bond Trustee may act as principal or agent in the making or disposing of any investment. To the extent Eligible Securities are registrable, such investments shall be registered in the name of the Bond Trustee. The Bond Trustee may sell or present for redemption, any securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such securities are credited, and the Bond Trustee shall not be liable or responsible for any loss resulting from such investment. The parties acknowledge that the Bond Trustee is not providing investment supervision, recommendations, or advice.

The Bond Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Bond Trustee or for any third person or dealing as principal for its own account.

No float forward or forward purchase agreement or other arrangement, agreement or financial product may be utilized in connection with the Revenue Fund.

The Borrower and the Authority acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Borrower or the Authority, as applicable, the right to receive brokerage confirmations of security transactions as they occur, the Borrower and the Authority specifically waive receipt of such confirmations to the extent permitted by law. The Bond Trustee will furnish the Borrower periodic cash transaction statements which include detail for all investment transactions made by the Bond Trustee hereunder.

The Bond Trustee may credit the funds or accounts hereunder with amounts expected to be received from the sale or redemption of, or the earnings on, the investments in such funds or accounts prior to actual receipt of final payment thereof, and may advance funds in anticipation of receipt of such final payments for the purchase of investments which it has been directed to purchase. Any such credit or advance shall be conditional upon actual receipt by the Bond Trustee of final payment and may be reversed if final payment is not actually received in full. The Borrower acknowledges that the legal obligation to pay the purchase price of any investment arises immediately at the time of the purchase. Nothing in this Indenture shall constitute a waiver of any of the Bond Trustee's rights as a securities intermediary under Uniform Commercial Code § 9-206.

SECTION 5.15. [Establishment and Application of Working Capital Fund.] The Bond Trustee shall establish, maintain and hold in trust a separate fund designated as the "Working Capital Fund." Moneys deposited in the Working Capital Fund shall be withdrawn from such fund pursuant to Requisition(s) of the Borrower. The Requisitions of the Borrower shall be substantially in the form of EXHIBIT F hereto. Each such Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Bond Trustee shall have no duty to confirm the accuracy of such facts.]

SECTION 5.16. Amounts Remaining in Funds and Accounts. Any amounts remaining in the Revenue Fund or any other fund or account established hereunder after payments in full of the Bonds (or after provision for payment thereof as provided herein) and payment of the fees, charges and expenses of the Bond Trustee and the Authority, shall belong and be paid to or at the direction of the Borrower by the Bond Trustee.

ARTICLE VI

COVENANTS

SECTION 6.01. Punctual Payment. The Authority shall punctually pay, but only out of Payments and pledged funds as herein provided, the principal and interest to become due in respect of every Bond issued hereunder at the times and places and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof.

SECTION 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement except with the written consent of the Bondholders and, if the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended without the written consent of the Bondholders, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

SECTION 6.03. Encumbrance upon Payments. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Payments and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except

the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Act, and reserves the right to issue other obligations for such purposes.

SECTION 6.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Payments and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the valid and binding limited obligations of the Authority, and the Authority and Bond Trustee shall at all times, to the extent permitted by law and subject to the provisions of this Indenture, defend, preserve and protect said pledge and assignment of Payments and other assets and all the rights of the Bondholders under this Indenture against all claims and demands of all persons whomsoever.

SECTION 6.05. Accounting Records and Financial Statements. The Bond Trustee shall at all times keep, or cause to be kept, accurate books of record and account, prepared in accordance with the Bond Trustee's accounting practices for books of record and account relating to similar trust accounts and in accordance with the customary standards of the corporate trust industry for such books of record and account, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds, the Payments, the Loan Agreement and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority, the Borrower and any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours, upon reasonable prior notice and under reasonable circumstances.

SECTION 6.06. Other Covenants; Amendment of the Loan Agreement

(a) Subject to the provisions of this Indenture, the Bond Trustee shall promptly collect all amounts due pursuant to the Loan Agreement and, subject to its rights and protections hereunder, diligently enforce and take all steps, actions and proceedings reasonably necessary for the enforcement of all of the rights of the Authority under the Loan Agreement assigned to it pursuant to Section 5.01(b) hereof.

(b) The Authority shall not amend, modify or terminate any of the terms of the Loan Agreement, or consent to any such amendment, modification or termination, without the prior written consent of the Bond Trustee. The Bond Trustee shall give such written consent if but only if (1) it has received a written representation from the Borrower to the effect that such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds; provided that, if an Event of Default described in paragraph (a), (b) or (c) of Section 7.01 has occurred and is continuing, the Bond Trustee rather than the Borrower shall make a determination that such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds (provided that, in making such determination, the Bond Trustee may conclusively rely on written representations of financial consultants or advisors or the opinion or advice of counsel), or (2) the Holders of a majority in aggregate principal amount of the Bonds then Outstanding consent in writing to such amendment, modification or termination, provided that no such

amendment, modification or termination shall reduce the amount of Loan Repayments payable to the Authority, or extend the time for making such payments, without the written consent of all of the Holders of the Bonds then Outstanding.

(c) The Bond Trustee shall promptly collect all amounts due from the Borrower pursuant to the Loan Agreement and Obligation No. 1, will perform all duties imposed upon it pursuant to the Loan Agreement and shall diligently enforce, and take all steps, actions and proceedings reasonably necessary for the enforcement of, all of the rights of the Authority (other than the Retained Rights) and all of the obligations of the Borrower under the Loan Agreement and Obligation No. 1.

SECTION 6.07. [Reserved].

SECTION 6.08. Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Holders of the Bonds of the rights and benefits provided in this Indenture.

SECTION 6.09. Continuing Disclosure. Pursuant to Section 4.07 of the Loan Agreement, the Borrower and the Lessee have undertaken all responsibility for compliance with continuing disclosure requirements pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5), and the Authority shall have no liability to the Holders of the Bonds or any other person with respect to Securities and Exchange Commission Rule 15c2-12. The Bond Trustee hereby covenants and agrees that, subject to the provisions of this Indenture, if appointed by the Borrower as Dissemination Agent it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement and Section 4.07 of the Loan Agreement applicable to it. Notwithstanding any other provision of this Indenture, failure of the Borrower or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Bond Trustee at the written request of the Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall (but only to the extent the Bond Trustee has been tendered funds in an amount satisfactory to it or it has been otherwise indemnified from and against any loss, liability, cost or expense, including without limitation, fees and expenses of its counsel and agents and additional fees and charges of the Bond Trustee) or any Bondholder 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 Borrower to comply with its obligations under Section 4.07 of the Loan Agreement or, as to any Bondholder or Beneficial Owner, to cause the Bond Trustee to comply with its obligations under this Section. For purposes of this Section, “Beneficial Owner” means any person which (1) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (2) is treated as the owner of any Bonds for federal income tax purposes.

SECTION 6.10. Tax Covenants.

(a) The Authority covenants that it shall not take any action, or fail to take any action, if such action or failure to take such action would result in the interest on the Tax-

Exempt Bonds not being excluded from gross income for federal income tax purposes under Section 103 of the Code. Without limiting the generality of the foregoing, the Authority covenants that it will comply with the requirements of the Tax Regulatory Agreement, which is incorporated herein as if fully set forth herein. This covenant shall survive the payment in full or the defeasance of the Tax-Exempt Bonds.

(b) In the event that at any time the Authority is of the opinion that for purposes of this Section 6.10 it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Bond Trustee under this Indenture, and provided that such action shall not conflict with the requirements of the Tax Regulatory Agreement, the Authority shall so instruct the Bond Trustee in a Request of the Authority (which may be accompanied by a supporting Opinion of Bond Counsel), and the Bond Trustee shall take such action as may be directed in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Authority shall provide to the Bond Trustee an Opinion of Bond Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Tax-Exempt Bonds, the Bond Trustee may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Regulatory Agreement, and the covenants hereunder shall be deemed to be modified to that extent.

SECTION 6.11. Intercept Covenants. The Bond Trustee shall, on each Interest Payment Date, each Principal Payment Date, or on any date which a transfer from the Controller to the Bond Trustee is scheduled pursuant to any Intercept Notice, notify the Authority and the Borrower of any shortfall in amounts received by the Bond Trustee from the Controller compared to the amounts set forth in any Intercept Notice for such date. If, subsequent to any shortfall for which the Bond Trustee has sent notice pursuant to the preceding sentence, the Bond Trustee shall receive payment of amounts sufficient to cure such shortfall, the Bond Trustee shall, within ten (10) Business Days thereof, notify the Authority and the Borrower of the receipt of such payment. The Bond Trustee shall not be required to take any action in connection with the foregoing except as specifically set forth in this Section 6.11.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES ON DEFAULT

SECTION 7.01. Events of Default; Waiver of Default. If one or more of the following events ("Events of Default") shall happen, that is to say:

(a) if default shall be made by the Authority in the due and punctual payment of the principal of any Bond as the same shall become due and payable (whether at maturity, by declaration or otherwise);

(b) if default shall be made by the Authority in the due and punctual payment of interest on any Bond when and as such interest shall become due and payable;

(c) if any occurrence and continuance of an “Event of Default” under the Loan Agreement; or

(d) if default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Bond Trustee, or to the Authority, the Borrower and the Bond Trustee by the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, except that, in each case, if such failure can be remedied but not within such 60-day period, such failure shall not become an Event of Default for so long as the Authority shall diligently proceed to remedy the same in accordance and subject to any directions or limitations of time established by the Master Trustee;

then and in each and every such case during the continuance of such Event of Default, the provisions of Section 7.02 shall apply.

SECTION 7.02. Institution of Legal Proceedings by Bond Trustee.

(a) If one or more of the Events of Default shall occur, the Bond Trustee in its discretion may, and upon the written request of the Holders of a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, the Bond Trustee shall proceed to protect or enforce its rights or the rights of the holders of Bonds under this Indenture, the Loan Agreement, the Leases and Obligation No. 1, by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein or therein, or in aid of the execution of any power herein or therein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Bond Trustee shall determine in support of any of its rights or duties hereunder, provided that any such request from the Bondholders shall not be in conflict with any rule of law or with this Indenture, expose the Bond Trustee to personal liability or be unduly prejudicial to Bondholders not joining therein.

(b) Notwithstanding anything to the contrary in this Indenture, the Authority shall have no obligation to, and instead the Bond Trustee may, without further direction from the Authority, take any and all steps, actions and proceedings, to enforce any or all rights of the Authority (other than those specifically retained by the Authority pursuant to Section 5.01 of this Indenture) under this Indenture or the Loan Agreement, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Borrower under the Loan Agreement.

(c) Nothing herein shall be deemed to authorize the Bond Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Bondholder thereof, or to authorize the Bond Trustee to vote in respect of the claim of any Bondholder in any such proceeding without the approval of the Bondholders so affected.

(d) Anything in the Indenture or Loan Agreement to the contrary notwithstanding, the Bond Trustee shall not be required to enter, take possession of, or take any other action whatsoever with respect to the failure to initiate foreclosure proceedings with respect to the Project unless the Bond Trustee is satisfied that the Bond Trustee will not be subject to any liability under any Environmental Regulations of any kind whatsoever or from any circumstances present at the Project relating to the presence, use, management, disposal or contamination by any environmentally hazardous materials or substances of any kind whatsoever.

SECTION 7.03. Application of Moneys Collected by Bond Trustee. Any moneys collected by the Bond Trustee pursuant to Section 7.02 hereof and any other amounts then held by the Bond Trustee under this Indenture, shall be applied in the following order, at the date or dates fixed by the Bond Trustee and, in the case of distribution of such moneys on account of principal upon presentation of the Bonds, and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

First: To the payment of costs and expenses of collection and reasonable compensation to the Bond Trustee for its own services and for the services of counsel, agents and employees by it properly engaged and employed, and all other expenses and liabilities incurred, and for advances, together with interest on such advances at a rate per annum equal to the Bond yield plus two percent, made pursuant to the provisions of this Indenture.

Second: In case the principal of any of the Bonds shall have become due by declaration or otherwise and remains unpaid, first to the payment of interest in default, and then to the payment of the principal of all Bonds then due and unpaid, in every instance such payment to be made ratably to the persons entitled thereto without discrimination or preference.

Whenever moneys are to be applied pursuant to the provision of this Section, such moneys shall be applied at such times, and from time to time, as the Bond Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Bond Trustee shall apply such funds, it shall fix the date (which shall be the Interest Payment Date unless the Bond Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and past-due interest to be paid on such date shall cease to accrue.

Whenever all principal of and interest on all Bonds have been paid under the provisions of this Section and all fees, expenses and charges of the Bond Trustee (including without limitation those of its attorneys) have been paid, any balance remaining in the funds and accounts hereunder shall be paid to the Borrower.

SECTION 7.04. Effect of Delay or Omission to Pursue Remedy. No delay or omission of the Bond Trustee or of any Holder of Bonds to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every power and remedy given by this Article VII to the Bond Trustee

or to the Holders of Bonds may be exercised from time to time, and as often as shall be deemed expedient. In case the Bond Trustee shall have proceeded to enforce any right under this Indenture, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely to the Bond Trustee, then and in every such case the Authority and the Bond Trustee, and the Holders of the Bonds, severally and respectively, shall be restored to their former positions and rights hereunder in respect to the trust estate; and all remedies, rights and powers of the Authority, the Bond Trustee and the Holders of the Bonds shall continue as though no such proceedings had been taken.

SECTION 7.05. Remedies Cumulative. No remedy herein conferred upon or reserved to the Bond Trustee or to any Holder of the Bonds is intended to be exclusive of any other remedy, but each 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.

SECTION 7.06. Covenant to Pay Bonds in Event of Default. The Authority covenants that, upon the happening of any Event of Default, the Authority will pay, but only out of Payments, to the Bond Trustee, upon demand, for the benefit of the Holders of the Bonds, the whole amount then due and payable thereon (by declaration or otherwise) for interest and principal as the case may be, and all other sums which may be due hereunder or secured hereby, including reasonable compensation to the Bond Trustee and its agents and counsel and any expenses or liabilities incurred by the Bond Trustee hereunder and, its agents and counsel. In case the Authority shall fail to pay the same forthwith upon such demand, the Bond Trustee, in its own name and as trustee of an express trust, shall be entitled to institute proceedings at law or in equity in any court of competent jurisdiction to recover judgment for the whole amount due and unpaid, together with costs and reasonable attorneys' fees and expenses, subject, however, to the condition that such judgment, if any, shall be limited to, and payable solely out of, Payments as herein provided and not otherwise. The Bond Trustee shall be entitled to recover such judgment as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of this Indenture, and the right of the Bond Trustee to recover such judgment shall not be affected by the exercise of any other right, power or remedy for the enforcement of the provisions of this Indenture.

SECTION 7.07. Bond Trustee Appointed Agent for Bondholders. The Bond Trustee is hereby appointed the agent and attorney-in-fact of the Holders of all Bonds Outstanding hereunder for the purpose of filing any claims relating to the Bonds.

SECTION 7.08. Power of Bond Trustee to Control Proceedings. Subject to Section 7.09 hereof, in the event that the Bond Trustee, upon the happening of an Event of Default, shall have taken some action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Holders of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Bond Trustee shall not, unless there no longer continues an Event of Default hereunder, 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 Holders of at least a majority in aggregate principal amount of the Bonds Outstanding

hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

SECTION 7.09. Limitation on Bondholders' Right to Sue. Notwithstanding any other provision hereof, no Holder of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, the Loan Agreement or Obligation No. 1 unless (a) such Holder shall have previously given to the Bond Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Holders of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Bond Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Holders shall have tendered to the Bond Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Bond Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Bond 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 Holder of Bonds of any remedy hereunder; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Holders of the Outstanding Bonds.

The right of any Holder of any Bond to receive payment of the principal of and interest on such Bond out of Payments and the funds pledged herein, as herein provided, on and after the respective due dates expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder, notwithstanding the foregoing provisions of this Section or Section 7.08 of this Indenture or any other provision of this Indenture.

SECTION 7.10. Authority Retained Rights. Nothing in this Article shall limit in any respect the right of the Authority to enforce or waive any of its Retained Rights under the Loan Agreement.

ARTICLE VIII

THE BOND TRUSTEE

SECTION 8.01. Duties, Immunities and Liabilities of Bond Trustee.

(a) The Authority hereby appoints U.S. Bank Trust Company, National Association as Bond Trustee. The Bond Trustee shall perform such duties and only such duties as are specifically and expressly set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Bond Trustee. The Bond Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this

Indenture. The Bond Trustee shall, during the existence of any Event of Default which has not been cured, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. So long as the Trustee is acting in good faith and in accordance with the Indenture, in no event shall the Trustee be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(b) The Authority may remove the Bond Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Bond Trustee if at any time requested to do so by the Borrower (unless an Event of Default shall have occurred and then be continuing) or at any time by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Bond Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Bond Trustee or its property shall be appointed, or any public officer shall take control or charge of the Bond Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Bond Trustee, and thereupon shall appoint, with the written consent of the Borrower (unless an Event of Default has occurred and is continuing, at which time consent of the Borrower shall not be required) and Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), a successor Bond Trustee by an instrument in writing.

(c) The Bond Trustee may at any time resign and be discharged from its duties and obligations hereunder by giving written notice of such resignation to the Authority and the Borrower, and by giving the Bondholders notice of such resignation by posting an electronic notice of such resignation through the Depository. Upon receiving such notice of resignation, the Authority shall appoint, with the written consent of the Borrower (unless an Event of Default has occurred and is continuing, at which time consent of the Borrower shall not be required) and Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), a successor Bond Trustee by an instrument in writing.

(d) Any removal or resignation of the Bond Trustee and appointment of a successor Bond Trustee shall become effective upon acceptance of appointment by the successor Bond Trustee. If no successor Bond Trustee shall have been appointed and have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the retiring or resigning Bond Trustee (at the sole cost and expense of the Borrower, including with respect to reasonable attorneys' fees and expenses), or any Bondholder (on behalf of himself and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor Bond Trustee and for other appropriate relief, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Bond Trustee and any such resulting appointment or relief

shall be binding upon all of the parties in interest hereto. Any successor Bond Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Bond Trustee a written acceptance thereof, and thereupon such successor Bond Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Bond Trustee, with like effect as if originally named Bond Trustee herein; but, nevertheless at the Request of the Authority or the request of the successor Bond Trustee, such predecessor Bond Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and conveying to such successor Bond Trustee all the right, title and interest of such predecessor Bond Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Bond Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Bond Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Bond Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Bond Trustee as provided in this clause, such successor Bond Trustee shall mail a notice of the succession of such Bond Trustee to the trusts hereunder to the Bondholders at the addresses shown on the registration books maintained by the Bond Trustee.

(e) Any Bond Trustee appointed under the provisions of this Indenture shall be a national banking association, a trust institution or banking institution having trust powers, doing business and having a principal corporate trust office in California or, if it shall not have a principal corporate trust office in California, having the power under California law to perform all the duties of the Bond Trustee hereunder as evidenced by an opinion of its counsel, having, or if it is a member of a bank holding company system its parent shall have, a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000 and subject to supervision or examination by State or federal authorities. In case at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Bond Trustee shall resign immediately in the manner and with the effect specified in this Section.

(f) Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Bond Trustee to liability under any Environmental Law, the Bond Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action. The term “Environmental Laws” shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders

and directives of federal, state and local governmental agencies and authorities with respect thereto.

(g) In connection with the Borrower's incurrence of additional Indebtedness pursuant to the Loan Agreement or the Lessee's incurrence of additional Indebtedness pursuant to the terms of a Related Lease or Related Loan Agreement, which is secured by a lien on Gross Revenues or Gross School Revenues on parity with the Lien granted to the Lessor pursuant to the Related Lease or the Lender pursuant to the Related Loan Agreement ("Parity Debt"), the Trustee agrees to cooperate with the Borrower and the Lessee in connection with documentation required to reflect and implement the parity position of such Indebtedness. Such documentation may consist of, but is not limited to, a custody and parity lien agreement, intercreditor agreement or deposit account control agreement (the "Parity Agreement") with a representative of the holders of the Parity Debt (a "Parity Trustee") and a third party (the "Indebtedness Custodian").

The Indebtedness Custodian will (a) hold all sums held by it for the payment of principal of (and premium, if any) or interest or any other amounts on the Bonds and the Parity Debt in trust for the benefit of the Trustee and the Parity Trustee until such sums shall be paid to such entities or otherwise disposed of as therein provided; and (b) give the Trustee notice of any default by the Lessee in the making of any such payment of principal (and premium, if any) or interest or any other amounts.

Any Gross Revenues or School Gross Revenues collected by the Indebtedness Custodian under the Parity Agreement and any proceeds of any sale of the Facilities, whether made under any power of sale herein granted or pursuant to judicial proceedings, together with, in the case of an entry or sale as otherwise provided herein, any other sums then held by the Indebtedness Custodian under the Parity Agreement, shall be applied to the payment of the Bonds and the other Parity Debt in a prorata fashion based on then Outstanding principal amount of the Bonds and the then outstanding principal amount of Parity Debt.

No holder of any Parity Debt shall have any right to institute any proceeding, judicial or otherwise, with respect to the documents related to such Parity Debt, or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless:

(i) such holder has previously given written notice to the Trustee of a continuing event of default; and

(ii) the holders of not less than 50% in principal amount of all Parity Debt Outstanding shall have made written request to institute proceedings in respect of such event of default;

it being understood and intended that no one or more holders of any Parity Debt shall have any right in any manner whatever by virtue of, or by availing of, any provision of the documents related to the applicable Parity Debt to affect, disturb or prejudice the rights of any other holder of Parity Debt, or to obtain or to seek to obtain priority or preference over any other holders, or to

enforce any right under their respective documents, except in the manner herein provided and for the equal and ratable benefit of all the holders of Parity Debt.

SECTION 8.02. Merger or Consolidation. Any company into which the Bond Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Bond Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of Section 8.01 hereof, shall be the successor to such successor Bond Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 8.03. Rights of Bond Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Bond Trustee does not assume any responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Loan Agreement or the Bonds, or incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Bond Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Bond Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(b) The Bond Trustee shall not be liable for any action taken, or error of judgment made, in good faith by a Responsible Officer or any of its employees or agents, unless it shall be proved that the Bond Trustee was negligent in ascertaining the pertinent facts.

(c) The Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee under this Indenture. The permissive right of the Bond Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(d) The Bond Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Bondholders pursuant to the provisions of this Indenture unless such Bondholders shall have offered to the Bond Trustee reasonable security or indemnity satisfactory to it in the Bond Trustee's sole and absolute discretion against the costs, expenses and liabilities which may be incurred therein or thereby.

(e) The Bond Trustee shall not be deemed to have knowledge of any Event of Default other than an Event of Default under Section 7.01(a) or 7.01(b) hereof unless and until a Responsible Officer of the Bond Trustee shall have actual knowledge thereof, or shall have received written notice thereof, at its Principal Corporate Trust Office. Except

as otherwise expressly provided herein, the Bond Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds or as to the existence of an Event of Default hereunder.

(f) No provision of this Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers. The Bond Trustee has no obligation or liability to the Bondholders for the payment of interest or principal with respect to the Bonds.

(g) The Bond Trustee shall be entitled to request and receive written instructions from the Authority under this Indenture and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Bond Trustee in accordance with the written direction of Authority. The Bond Trustee shall not be bound to ascertain or inquire as to the validity or genuineness of any collateral given to or held by it. The Bond Trustee shall not be responsible for the recording or filing of any document relating to this Indenture or of financing statements (or continuation statements in connection therewith) or of any supplemental instruments or documents of further assurance as may be required by law to perfect the security interests in any collateral given to or held by it.

(h) The Bond Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(i) The Bond Trustee shall have the right to accept and act upon directions given pursuant to this Indenture and delivered using Electronic Notice; provided, however, that the Authority or the Borrower, as applicable, shall provide to the Bond Trustee an incumbency certificate listing authorized officers with the authority to provide such directions and containing specimen signatures of such authorized officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Authority or the Borrower, as applicable, elects to give the Bond Trustee directions using Electronic Notice and the Bond Trustee in its discretion elects to act upon such directions, the Bond Trustee's understanding of such directions shall be deemed controlling. The Authority and the Borrower understand and agree that the Bond Trustee cannot determine the identity of the actual sender of such directions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an authorized officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such authorized officer. The Authority and/or the Borrower, as applicable, shall be responsible for ensuring that only authorized officers transmit such directions to the Bond Trustee and that all authorized officers treat applicable user and authorization codes, passwords and/or authentication keys with extreme care. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such directions notwithstanding such directions conflict or are inconsistent with a subsequent written direction. The Authority and the Borrower agree: (i) to assume all risks arising out of the use of Electronic Notice

to submit directions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized directions, 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 directions to the Bond Trustee and that there may be more secure methods of transmitting directions than the method(s) selected by the Authority and/or the Borrower; and (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

(j) The Bond Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented or delayed by reason of force majeure. The term “force majeure” means an occurrence that is beyond the control of the Bond Trustee and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(k) The Bond Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Bond Trustee in accordance with the advice of counsel or other professionals retained or consulted by the Bond Trustee concerning all matters of trust and its duty hereunder, and shall be absolutely protected in relying thereon. The Bond Trustee shall not be answerable for the acts or omissions of any such attorney, agent, receiver or other professional selected by it with reasonable care. The Bond Trustee may, at the expense of Borrower, request, rely on and act in accordance with officer’s certificates and/or opinions of counsel, and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance with such officer’s certificates and opinions of counsel.

(l) The Bond Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds. Neither the Bond Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Authority, the Borrower, or any of their directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by any such party. The Bond Trustee may assume performance by all such Persons of their respective obligations. The Bond Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(m) The Bond Trustee shall not be required to review or inspect, and shall not be deemed to have notice of, the contents of any financial statement delivered to the Bond Trustee hereunder or under any Borrower Document, it being expressly understood that the Bond Trustee shall only receive and hold such documents as a repository for examination and copying by any Holder at such Holder’s expense during business hours on Business Days with reasonable prior notice.

(n) Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Bond Trustee to liability under any Environmental Regulation, the Bond Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action. The Bond Trustee shall not be required to take any foreclosure action if the approval of a government regulator shall be a condition precedent to taking such action.

(o) Whether or not therein expressly so provided, every provision of this Indenture, the Loan Agreement or related documents relating to the conduct or affecting the liability of or affording protection to the Bond Trustee shall be subject to the provisions of this Article.

(p) In acting or omitting to act pursuant to Indenture, the Loan Agreement, any Borrower Document or any other document executed in connection herewith or therewith, the Bond Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Indenture and the Loan Agreement, including, but not limited to, this Article VIII.

(q) Notwithstanding the effective date of this Indenture or anything to the contrary in this Indenture, the Bond Trustee shall have no liability or responsibility for any act or event relating to this Indenture which occurs prior to the date the Bond Trustee formally executes this Indenture and commences acting as Bond Trustee hereunder, which for this purpose shall be the Closing Date.

(r) The Bond Trustee shall be under no responsibility to approve, evaluate or determine the independence of any expert or other skilled person selected by the Authority, the Borrower or the Lessee for any of the purposes expressed in this Indenture, the Loan Agreement or other Borrower Documents.

SECTION 8.04. Right of Bond Trustee to Rely on Documents. The Bond Trustee shall be protected in acting upon any notice, requisition, resolution, request, consent, order, judgment, decree, certificate, report, opinion, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Bond Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in accordance therewith.

The Bond Trustee shall not be bound to recognize any person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is satisfactorily established, if disputed.

Whenever in the administration of the trusts imposed upon it by this Indenture the Bond Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking

or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Authority, and such Certificate shall be full warrant to the Bond Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Bond Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

SECTION 8.05. Preservation and Inspection of Documents. All documents received by the Bond Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority and any Bondholder, and their agents and representatives duly authorized in writing, at reasonable hours, upon reasonable notice and under reasonable conditions.

SECTION 8.06. Compensation and Indemnification of Bond Trustee. The Authority (solely from Payments received from the Borrower) shall from time to time, subject to any agreement between the Authority and the Bond Trustee then in force, pay to the Bond Trustee compensation for its services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder of the Bond Trustee, which compensation shall not be limited by any provision of law with respect to the compensation of a trustee of an express trust, and the Authority (solely from Payments received from the Borrower) will reimburse the Bond Trustee for all its advances (with interest on such advances at the maximum rate allowed by law) and expenditures, including but not limited to advances to and fees and expenses of independent accountants, counsel (including in-house counsel to the extent not duplicative of other counsel's work) and engineers or other experts employed by it, and reasonably required, in the exercise and performance of its powers and duties hereunder. The Authority covenants and agrees to indemnify the Bond Trustee and its duly authorized officers, agents and employees (solely from Payments received from the Borrower) against any loss, costs, claims, suits, judgments, expense (including reasonable legal fees and expenses) and liability (other than those which are due to the Bond Trustee's negligence or default) which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability. The obligations of the Authority under this Section shall survive resignation or removal of the Bond Trustee hereunder and payment of the Bonds and discharge of this Indenture.

ARTICLE IX

MODIFICATION OF INDENTURE

SECTION 9.01. Modification Without Consent of Bondholders. Subject to the conditions and restrictions contained in this Indenture, the Authority and the Bond Trustee, from time to time and at any time may enter into an indenture or indentures supplemental hereto, which indenture or indentures thereafter shall form a part hereof, including, without limitation, for one or more of the following purposes, provided that the Authority and the Bond Trustee shall have received an Opinion of Bond Counsel to the effect that such amendment or modification will not cause the interest on the Tax-Exempt Bonds to be included as gross income for federal income tax purposes and that such amendment or modification is permitted by this Indenture:

(a) to add to the covenants and agreements of the Authority contained in this Indenture, other covenants and agreements thereafter to be observed, or to assign or pledge additional security for the Bonds, or to surrender any right or power herein reserved to or conferred upon the Authority; provided such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds;

(b) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing, correcting or supplementing any defective provision, contained in this Indenture, or in regard to such matters or questions arising under this Indenture as the Authority may deem necessary or desirable and not inconsistent with this Indenture; provided such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds;

(c) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof or thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939, as amended, or similar federal statute; provided such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds;

(d) in connection with an amendment of any agreement permitted by Section 6.06 hereof for the purpose of conforming the terms, conditions and covenants of this Indenture to the corresponding or related provisions of such amended agreement;

(e) to modify or eliminate the book-entry registration system for the Bonds; or

(f) to comply with requirements of a Rating Agency to obtain or maintain a rating on any Bonds.

Any supplemental indenture authorized by the provisions of this Section 9.01 may be executed by the Authority and the Bond Trustee without the consent of the Holders of any of the Bonds at the time Outstanding, notwithstanding any of the provisions of Section 9.02 hereof, but the Bond Trustee shall not be obligated to enter into any such supplemental indenture which affects the Bond Trustee's own rights, duties or immunities under this Indenture or otherwise.

The Bond Trustee shall mail an executed copy of a supplemental indenture authorized by this Section 9.01 and any document related thereto or executed in connection therewith to the Borrower and each Rating Agency then rating the Bonds promptly after execution by the Authority and the Bond Trustee. The Bond Trustee mailing a copy of such Supplemental Indenture to any Rating Agency is conditioned upon the Borrower or the Authority providing the Bond Trustee with written notice as to the applicable Rating Agency then rating the Bonds. The Authority shall mail drafts of any such documents to such parties prior to execution thereof.

SECTION 9.02. Modification with Consent of Bondholders. With the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, the Authority and the Bond Trustee may from time to time and at any time, with an

Opinion of Bond Counsel to the effect that such amendment or modification will not, in and of itself, cause the interest on the Tax-Exempt Bonds to be included as gross income for federal income tax purposes, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any Supplemental Indenture; provided, however, that no such supplemental indenture shall (1) extend the fixed maturity of any Bonds or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof or (2) reduce the aforesaid percentage of Holders of Bonds whose consent is required for the execution of such supplemental indentures or extend the time of payment or permit the creation of any lien on the Payments or the assets pledged herein prior to or on a parity with the lien of this Indenture or deprive the Holders of the Bonds of the lien created by this Indenture upon the Payments or the assets pledged herein, without the consent of the Holders of all of the Bonds then Outstanding. Upon the filing with the Bond Trustee of evidence of the consent of Bondholders, as aforesaid, the Bond Trustee shall join with the Authority in the execution of such supplemental indenture unless such supplemental indenture affects the Bond Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Bond Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Bondholders under this Section 9.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Authority and the Bond Trustee of any Supplemental Indenture pursuant to the provisions of this Section, the Authority shall mail a notice to the Bond Trustee setting forth in general terms the substance of such supplemental indenture, and the Bond Trustee, upon receipt of such notice, shall mail such notice to the Borrower and the Bondholders at the addresses shown on the Bond registration books maintained by the Bond Trustee, at the expense of the Borrower. Any failure of the Authority or the Bond Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

The Bond Trustee shall mail an executed copy of such Supplemental Indenture and any amendment of the Loan Agreement permitted under Section 6.06 hereof to the Borrower, each Rating Agency then rating the Bonds promptly after execution by the Authority, the Bond Trustee, and in the case of the Loan Agreement, the Borrower. The Bond Trustee mailing a copy of such Supplemental Indenture or amendment of the Loan Agreement to any Rating Agency is conditioned upon the Borrower or the Authority providing the Bond Trustee with written notice as to the applicable Rating Agency then rating the Bonds. The Authority shall mail drafts of any such documents to such parties prior to execution thereof.

SECTION 9.03. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to the provisions of this Article IX this Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Bond Trustee and all Holders of Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such

Supplemental Indenture shall be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.04. Opinion of Counsel as to Supplemental Indenture. Subject to the provisions of Section 8.04 of this Indenture and the requirement in Sections 9.01 and 9.02 hereof for an Opinion of Bond Counsel, the Bond Trustee and the Authority may receive an Opinion of Counsel as conclusive evidence that any Supplemental Indenture executed pursuant to the provisions of this Article IX complies with the requirements of this Article IX and shall have no liability to Holders in excluding any Supplemental Indenture in reliance on an Opinion of Bond Counsel.

SECTION 9.05. Notation of Modification on Bonds; Preparation of New Bonds. Bonds authenticated and delivered after the execution of any Supplemental Indenture pursuant to the provisions of this Article IX may bear a notation, in form approved by the Authority, as to any matter provided for in such Supplemental Indenture, and if such Supplemental Indenture shall so provide, new Bonds, so modified as to conform, in the opinion of the Authority, to any modification of this Indenture contained in any such Supplemental Indenture, may be prepared by the Authority, authenticated by the Bond Trustee and delivered without cost to the Holders of the Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts.

ARTICLE X

DEFEASANCE

SECTION 10.01. Discharge of Indenture.

(a) Bonds may be paid or caused to be paid in any of the following ways, provided any other sums payable hereunder have also been paid or caused to be paid:

(i) by paying or causing to be paid the principal of and interest on the Bonds Outstanding as and when the same become due and payable;

(ii) by depositing with the Bond Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03 hereof) to pay or redeem Bonds Outstanding; or

(iii) by delivering to the Bond Trustee, for cancellation by it, all Bonds Outstanding.

(b) If all Bonds then Outstanding are paid or caused to be paid as provided above and all other sums payable hereunder shall also be paid or caused to be paid, and if the Borrower shall have paid all Additional Payments and any indemnification owed to the Authority and any other fees and expenses payable to the Authority pursuant to the Loan Agreement, then and in that case, at the election of the Borrower (evidenced by a Certificate of the Borrower, filed with the Bond Trustee, signifying the intention to discharge all such indebtedness and this Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of Payments made under this

Indenture and all covenants, agreements and other obligations of the Authority under this Indenture shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 10.02 hereof. In such event, upon request of the Borrower, the Bond Trustee shall cause an accounting for such period or periods as may be requested by the Borrower to be prepared and filed with the Borrower and shall execute and deliver to the Borrower all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Bond Trustee shall pay over, transfer, assign or deliver to the Borrower all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment of Bonds not theretofore surrendered for such payment and which are not required for the payment of fees and expenses of the Bond Trustee.

SECTION 10.02. Discharge of Liability on Bonds. Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03 hereof) to pay any Outstanding Bond, whether upon or prior to its maturity, then all liability in respect of such Bond shall cease, terminate, become void and be completely discharged and satisfied, except only that thereafter the Holder thereof shall be entitled to payment of the principal of and interest on such Bond, and such payments will be payable under such Bond but only out of the money or securities deposited with the Bond Trustee as aforesaid for its payment; provided further, however, that the provisions of Section 10.04 hereof shall apply in all events.

The Bonds may at any time be surrendered to the Bond Trustee for cancellation by the Borrower, which Bonds may have been acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

SECTION 10.03. Deposit of Money or Securities with Bond Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Bond Trustee money or securities in the amount necessary to pay any Bonds, such amount (which may include money or securities held by the Bond Trustee in the funds established pursuant to this Indenture) shall be equal (taking into account income which will accrue from the investment thereof on the date of deposit of such funds but without taking into account any income from the subsequent reinvestment thereof) to the principal amount of such Bonds and all unpaid interest thereon to maturity, and shall be:

- (a) lawful money of the United States of America; or
- (b) noncallable bonds, bills and bonds issued by the Department of the Treasury (including without limitation (1) obligations issued or held in book-entry form on the books of the Department of the Treasury and (2) the interest component of Resolution Funding Corporation strips for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book-entry form), United States Treasury Obligations, State and Local Government Series and Zero Coupon United States Treasury Bonds;

provided, in each case, that the Bond Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Request of the Borrower) to apply such money to the payment of such

principal of and interest on such Bonds and provided, further, that the Bond Trustee shall have received (i) an Opinion of Bond Counsel to the effect that such deposit shall not cause interest on the Tax-Exempt Bonds to be included in the gross income of the Holder thereof for federal income tax purposes and that the Bonds to be discharged are no longer Outstanding; and (ii) a verification report of a firm of certified public accountants or other financial services firm acceptable to the Bond Trustee verifying that the money or securities so deposited or held together with earnings thereon will be sufficient to make all payments of principal of and interest on the Bonds to be discharged to and including their maturity date.

SECTION 10.04. Payment of Bonds After Discharge of Indenture. Notwithstanding any provision of this Indenture, and subject to applicable escheat laws, any moneys (including interest thereon) held by the Bond Trustee in trust for the payment of the principal of or interest on any Bonds and remaining unclaimed for one year after the principal of all the Outstanding Bonds has become due and payable (whether at maturity or by declaration as provided in this Indenture), 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 all of the Bonds became due and payable, shall be repaid to the Borrower free from the trusts created by this Indenture, and all liability of the Bond Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Borrower as aforesaid, the Bond Trustee may (at the cost of the Borrower) first mail to the Holders of Bonds which have not yet been paid, at the addresses shown on the registration books maintained by the Bond Trustee, a notice, in such form as may be deemed appropriate by the Bond Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Borrower of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Liability of Authority Limited to Payments. Principal of and interest on the Bonds is payable solely from Payments. Neither the State nor the Authority shall be obligated to pay the Bonds or the interest thereon except from certain Payments set forth herein, and neither the faith and credit nor the taxing power of the State or of any political subdivision thereof shall be pledged to the payment of the principal of or the interest on the Bonds. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Authority shall not be treated or deemed as having incurred any liability hereunder or by reason of or in connection with this Indenture, the Loan Agreement or any of the transactions contemplated by any thereof except to the extent payable from certain Payments set forth herein or other amounts available therefor under and pursuant to this Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes of this Indenture any funds of the Authority which may be made available to it for such purposes.

SECTION 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Authority or the Bond 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 Indenture contained by or on behalf of the Authority or the Bond Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.03. Limitation of Rights to Parties, Borrower and Bondholders. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Bond Trustee, the Borrower and the Holders of the Bonds any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Bond Trustee, the Borrower and the Holders of the Bonds.

SECTION 11.04. Waiver of Notice. Whenever in this Indenture 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 such 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 11.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Bond Trustee and the delivery to the Authority of any Bonds, the Bond Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds (in the presence of an officer of the Authority, if the Authority shall so require) and at the request of the Authority deliver a certificate of such destruction to the Authority.

SECTION 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 11.07. Notices. Unless otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given (a) if hand delivered or delivered by courier, when delivered to the appropriate notice address, or (b) if mailed by first class mail, postage prepaid, six Business Days after deposit in the United States mail addressed to the appropriate notice address. Any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day. The parties listed below may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice required or permitted hereunder shall be directed to the following notice address:

As to the

California School Finance Authority

Authority: State Treasurer's Office
300 S. Spring Street, Suite 8500
Los Angeles, California 90013
Attention: Executive Director
Telecopy: (213) 620-6309

As to the Borrower: Grupo Nuevo Los Angeles
3435 W. Temple Street
Los Angeles, CA 90026
Attention: Executive Director

As to the Lessee: Camino Nuevo Charter Academy
3435 W. Temple Street
Los Angeles, CA 90026
Attention: Executive Director

As to Bond Trustee: U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Corporate Trust Department

All notices, approvals, consents, requests and any communications to the Bond Trustee hereunder or under any Borrower Document must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Bond Trustee). Electronic signatures believed by the Bond Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the Authority or the Borrower chooses to use electronic signatures to sign documents delivered to the Bond Trustee, the Authority and the Borrower, as applicable, agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Bond Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Bond Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Bond Trustee in lieu of, or in addition to, any document signed via electronic signature.

SECTION 11.08. Evidence of Rights of Bondholders. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Bond Trustee and of the Authority if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any

jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the bond registration books held by the Bond Trustee.

Any request, consent, or other instrument or writing of the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Bond Trustee or the Authority in accordance therewith or reliance thereon.

SECTION 11.09. Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Authority or the Borrower or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Borrower shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. In determining whether the Bond Trustee shall be protected in relying upon any such approval or consent of an Holder, only Bonds which a Responsible Officer of the Bond Trustee actually knows to be owned or held by or for the account of the Authority or the Borrower or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Borrower shall be disregarded unless all Bonds are so owned, in which case such Bonds shall be considered outstanding for the purpose of such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Bond Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Borrower. In case of a dispute as to such right, any decision by the Bond Trustee taken upon the advice of counsel shall be full protection to the Bond Trustee. Upon request of the Bond Trustee, the Authority and the Borrower shall specify in a certificate to the Bond Trustee those Bonds disqualified pursuant to this Section and the Bond Trustee may conclusively rely on such certificate.

SECTION 11.10. Money Held for Particular Bonds. The money held by the Bond Trustee for the payment of the interest, principal due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

SECTION 11.11. Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Bond Trustee may be established and maintained in the accounting records of the Bond Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the requirements of Sections 5.11 and 6.10 hereof (and the Tax Regulatory Agreement) and for the protection of the security of the Bonds and the rights

of every Holder thereof. In addition to the funds and accounts hereby established, and subject to the foregoing, the Bond Trustee may establish such additional accounts or subaccounts, including of a temporary nature, as may be necessary or convenient for the administration of this Indenture.

SECTION 11.12. Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal (or redemption price) of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

SECTION 11.13. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Bond Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.14. Governing Law; Venue. This Indenture shall be construed in accordance with and governed by the Constitution and the laws of the State applicable to contracts made and performed in the State. This Indenture shall be enforceable in the State, and any action arising out of this Indenture shall be filed and maintained in Sacramento County Superior Court, Sacramento County, California unless the Authority waives this requirement.

SECTION 11.15. Complete Agreement. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

SECTION 11.16. Electronic Signature. Each of the parties hereto agrees that the transaction consisting of this agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this agreement using an electronic signature, it is signing, adopting, and accepting this agreement and that signing this agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this agreement in a usable format.

SECTION 11.17. Action to Be Taken on Days Other Than Business Days. Except as otherwise provided herein, whenever this Indenture requires any action to be taken on a day which is not a Business Day, such action shall be taken on the next succeeding Business Day with the same force and effect as if taken on such day. If any payment is made on the next Business Day as aforesaid, no interest shall accrue for the intervening period.

IN WITNESS WHEREOF, the CALIFORNIA SCHOOL FINANCE AUTHORITY has caused this Indenture to be signed in its name by a Deputy Treasurer for the Chair and its Executive Director, and U.S. Bank Trust Company, National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its name by a representative hereunto duly authorized, all as of the day and year first above written.

**CALIFORNIA SCHOOL FINANCE
AUTHORITY**

By: _____
Deputy Treasurer for Chair, State Treasurer
Fiona Ma

By: _____
Katrina Johantgen, Executive Director

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,**
as Bond Trustee

By: _____
Authorized Officer

[Signature Page to Indenture – Camino Nuevo Charter Academy –
Obligated Group 2023]

EXHIBIT A
FORM OF BONDS

THIS BOND IS SUBJECT TO TRANSFER RESTRICTIONS AS SET FORTH IN THE INDENTURE (DEFINED HEREIN). BY POSSESSION OF THIS BOND, THE HOLDER CERTIFIES THAT IT IS AN ACCREDITED INVESTOR OR A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN THE INDENTURE. THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS BOND, ACKNOWLEDGES THAT THIS BOND MAY ONLY BE REGISTERED IN THE NAME OF, OR TRANSFERRED TO, OR BENEFICIAL OWNERSHIP CAN ONLY BE HELD BY AN “ACCREDITED INVESTOR” OR A “QUALIFIED INSTITUTIONAL BUYER.” THE TRANSFER RESTRICTIONS HEREOF MAY BE REMOVED ONLY PURSUANT TO CERTAIN PROVISIONS OF THE INDENTURE. IN THE EVENT SUCH RESTRICTIONS ARE REMOVED, THE BOND TRUSTEE SHALL PROVIDE NOTICE THEREOF AS SET FORTH IN THE INDENTURE.

THE BONDS ARE NOT AND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE CALIFORNIA SCHOOL FINANCE AUTHORITY, AND ARE NOT AND SHALL NOT BE DEEMED TO BE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. NEITHER THE STATE NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. NOTHING IN THE INDENTURE, THE ACT OR OTHERWISE IS AN UNDERTAKING BY THE AUTHORITY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO FUND THE TRANSFERS DESCRIBED IN THE INTERCEPT NOTICES OR TO MAKE FUNDS AVAILABLE TO THE SCHOOL IN ANY AMOUNT OR AT ANY TIME.

REGISTERED

No. R[A/B]-__

\$ _____

**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(CAMINO NUEVO CHARTER ACADEMY - OBLIGATED GROUP)
SERIES 2023[A][B] ([TAXABLE])**

Rate of Interest:	Maturity Date:	Dated Date:	CUSIP:
____%	[] 1, 20[]	[], 2023	_____

Registered Owner: Cede & Co.

Principal Amount: _____ DOLLARS

CALIFORNIA SCHOOL FINANCE AUTHORITY, a public instrumentality of the State of California (the “Authority”), for value received, hereby promises to pay (but only out of the Payments and other assets pledged therefor as hereinafter mentioned) to CEDE & CO. or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned), the principal sum of [] DOLLARS (\$PAR[A][B]), in lawful money of the United States of America; and to pay interest thereon (but only from said Payments and other assets pledged therefor) in like lawful money from the date hereof until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the rate stated above, payable on January 1 and July 1 of each year, commencing on [July 1, 20__]. The principal (or redemption price) hereof is payable at the Principal Corporate Trust Office (as defined in the Indenture) of U.S. Bank Trust Company, National Association (together with any successor trustee as provided in the Indenture, as defined below, the “Bond Trustee”). Interest hereon is payable by check mailed on each interest payment date to the registered owner hereof as of the fifteenth day of the month immediately preceding the month in which such interest payment date occurs (except with respect to defaulted interest) (the “Record Date”) at the address appearing on the bond registration books maintained by the Bond Trustee; provided, however, that the holder of \$1,000,000 or more in aggregate principal amount of Bonds may be paid by wire transfer to an account within the United States of America upon written request filed with the Bond Trustee at least one Business Day before the Record Date for the applicable interest payment date.

Principal of and interest on the Bonds is payable solely from Payments. Neither the State nor the Authority shall be obligated to pay the Bonds or the interest thereon except from the Payments as set forth in the Indenture, and neither the faith and credit nor the taxing power of the State or of any political subdivision thereof shall be pledged to the payment of the principal of or the interest on the Bonds. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Authority shall not be treated or deemed as having incurred any liability under the Indenture or by reason of or in connection with the Indenture, the Loan Agreement or any of the transactions contemplated by any thereof except to the extent payable from certain Payments set forth in the Indenture or other

amounts available therefor under and pursuant to the Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes of the Indenture any funds of the Authority which may be made available to it for such purposes. The Bonds are not a debt of the State of California and said State is not liable for payment thereof.

This Bond is entitled “California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023[A][B] [(Taxable)]” (herein called the “Bonds”), limited in aggregate principal amount of [_____] dollars (\$PAR[A][B]) and issued pursuant to the provisions of the California School Finance Authority Act (constituting Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California) (herein called the “Act”) and an indenture, dated as of [_____] 1, 2023, between the Authority and the Bond Trustee (herein called the “Indenture”). The Bonds are issued for the purpose of (i) funding the loan to Grupo Nuevo Los Angeles, a California nonprofit corporation, pursuant to a Loan Agreement, dated as of [_____] 1, 2023 (herein called the “Loan Agreement”), between the Authority and the Borrower, for the purposes and on the terms and conditions set forth therein, (ii) funding a deposit to the Reserve Account, and (iii) paying certain costs of issuance of the Bonds. Proceeds of the loan will be used by the Borrower for the acquisition, construction, improvement and equipping of certain charter school facilities located in Los Angeles County, California (the “Project”), as more particularly described in the Indenture.

The Bonds are issuable only as fully registered Bonds in denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof, except as otherwise provided in the Indenture. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged, at the Principal Corporate Trust Office, for a like aggregate principal amount of Bonds of other authorized denominations.

Reference is hereby made to the Indenture (a copy of which is on file at said Principal Corporate Trust Office) and all indentures supplemental thereto, to the Loan Agreement (a copy of which is on file at said Principal Corporate Trust Office) and to the Act for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Bond Trustee and of the rights and obligations of the Authority thereunder, to all the provisions of which Indenture and Loan Agreement the registered owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds are secured by a pledge and assignment of Payments and of amounts held in the funds and accounts (other than the Rebate Fund) established pursuant to the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

The Bonds are subject to redemption prior to their stated maturity, at the times and redemption prices, upon the notice and subject to the terms and conditions set forth in the Indenture. If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

This Bond is transferable by the registered owner hereof, in person or by such person’s attorney duly authorized in writing, at the Principal Corporate Trust Office, but only in the manner,

subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a Bond or Bonds, of authorized denomination or denominations and for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Authority and the Bond Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Authority and the Bond Trustee shall not be affected by any notice to the contrary.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the provisions of the Act and by the Constitution and laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Act, or by the Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Bond Trustee.

This Bond shall be construed in accordance with and governed by the Constitution and the laws of the State of California applicable to contracts made and performed in the State of California.

IN WITNESS WHEREOF, the California School Finance Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Chair, as of the Dated Date recited above.

**CALIFORNIA SCHOOL FINANCE
AUTHORITY**

By: _____
Chair

**[FORM OF TRUSTEE'S CERTIFICATE OF
AUTHENTICATION AND REGISTRATION]**

This is one of the Bonds described in the within-mentioned Indenture which has been authenticated and registered this [____], 2023.

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,**
as Bond Trustee

By _____
Authorized Officer

ASSIGNMENT

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

(print or type name, address, taxpayer identification no.
and zip code of assignee)

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

Dated: _____

Signature

BOND: The signature to the
assignment must correspond to the name as
written on the face of this Bond in every
particular, without any alteration or change
whatsoever.

Signature Guaranteed By: _____

BOND: The signature(s) to the assignment must be guaranteed by an eligible guarantor
institution.

EXHIBIT B

[FORM OF REQUISITION FROM THE PROJECT FUND]

The undersigned authorized representative of Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation (the “Borrower”) hereby requests U.S. Bank Trust Company, National Association, as trustee (the “Bond Trustee”) under that certain Indenture, dated as of [_____] 1, 2023 (the “Indenture”), between the California School Finance Authority and the Bond Trustee, to pay to the Persons listed on Schedule I attached hereto, the amounts shown for the purposes indicated from the Project Fund established and maintained under the Indenture.

The Borrower hereby certifies that:

(a) obligations in amounts stated in this Requisition have been incurred by the Borrower and are presently due and payable and each item is a proper charge against the Project Fund and has not been previously paid from the Project Fund;

(b) there has not been filed with or served upon the Borrower any notice of claim of lien, or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the persons named in this Requisition, that has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law;

(c) no Event of Default has occurred under the Loan Agreement or the Lease Agreement;
and

(d) this draw request meets the requirements of the Loan Agreement and the Indenture.

All payments shall be made by check or wire transfer in accordance with payment instructions contained in Schedule I and the Bond Trustee shall have no duty or obligation to authenticate such payment instructions or the authorization thereof.

Dated: _____

GRUPO NUEVO LOS ANGELES,
a California nonprofit public benefit corporation

By: _____
Authorized Borrower Representative

EXHIBIT C

FORM OF REQUISITION FROM THE REPAIR AND REPLACEMENT FUND

The undersigned authorized representative of Grupo Nuevo Los Angeles, a California nonprofit public benefit corporation (the “Borrower”) hereby requests U.S. Bank Trust Company, National Association, as trustee (the “Bond Trustee”) under that certain Indenture, dated as of [_____] 1, 2023, between the California School Finance Authority and the Bond Trustee, to pay to the Persons listed on Schedule I attached hereto, the amounts shown for the purposes indicated from the Repair and Replacement Fund established and maintained under the Indenture.

The Borrower hereby certifies that (a) obligations in amounts stated in this Requisition have been incurred by the Borrower and are presently due and payable and each item is a proper charge against the Repair and Replacement Fund and has not been previously paid from the Repair and Replacement Fund; and (b) there has not been filed with or served upon the Borrower any notice of claim of lien, or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the persons named in this Requisition, that has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

All payments shall be made by check or wire transfer in accordance with payment instructions contained in Schedule I and the Bond Trustee shall have no duty or obligation to authenticate such payment instructions or the authorization thereof.

Dated: _____

GRUPO NUEVO LOS ANGELES ,
a California nonprofit corporation

By: _____

Schedule I

(REPAIR AND REPLACEMENT FUND REQUISITION)

<u>Item #</u>	<u>Name/Address</u>	<u>Amount</u>	<u>Purpose</u>
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EXHIBIT D
FORMS OF INVESTOR LETTER

FORM OF INVESTOR LETTER

The Honorable Fiona Ma
Treasurer of the State of California
915 Capitol Mall, Room 261
Sacramento, California 95814

California School Finance Authority
304 South Broadway
Los Angeles, California 90013

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111

RBC Capital Markets, LLC
777 S. Figueroa St., Suite 850
Los Angeles, California 90017

Re: \$[PARA] California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A and \$[PARB] California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable)

Ladies and Gentlemen:

The undersigned (the “Investor”) hereby acknowledges that it is purchasing \$_____ aggregate principal amount of California School Finance Authority (the “Authority”) Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) 2023A (the “Series 2023A Bonds”) and \$_____ aggregate principal amount of California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable) (the “Series 2023B Bonds” and, together with the Series 2023A Bonds, the “Bonds”), issued pursuant to an Indenture, dated as of [_____] 1, 2023 (the “Indenture”), between the Authority and U.S. Bank Trust Company, National Association (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

This letter is being provided pursuant to a Bond Purchase Agreement, dated [_____] 1, 2023 (the “Purchase Agreement”), among the Authority, the Treasurer of the State of California, as agent for sale on behalf of the Authority, RBC Capital Markets, LLC (the “Underwriter”), and approved by Grupo Nuevo Los Angeles (the “Borrower” and “Obligated Group Representative”) and Camino Nuevo Charter Academy, a California nonprofit corporation (the “Lessee”).

The undersigned acknowledges that the Bonds are being delivered for the purpose of financing the acquisition, expansion, remodeling, renovation, and/or equipping of certain charter school facilities located in Los Angeles, California (the “Project”) on behalf of the Borrower, as more particularly described in the Loan Agreement, dated as of [_____] 1, 2023 (the “Loan Agreement”), by and between the Authority and the Borrower. The undersigned further acknowledges that the Borrower will lease the charter school facility to the Lessee pursuant to those certain lease agreements (collectively, the “Lease”) between the Borrower and the Lessee.

The Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the Loan Agreement and Obligation No. 1 relating to the Bonds (“Obligation No. 1”) issued by the Obligated Group Representative in an amount equal to the aggregate principal amount of the Bonds pursuant to a Master Indenture of Trust, dated as of [_____] 1, 2023 (the “Master Indenture”), as supplemented by a Supplemental Master Indenture for Obligation No. 1, dated as of [_____] 1, 2023 (the “Supplemental Master Indenture”), each by and between the Obligated Group Representative, the Borrower and the Landlords, as the initial Members of the Obligated Group, and U.S. Bank Trust Company, National Association, as master trustee (the “Master Trustee”). The Indenture, the Loan Agreement, the Lease,

the Master Trust Indenture, and the Supplemental Master Indenture are referred to herein as the “Bond Documents.”

In connection with the sale of the Bonds to the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

2. The Investor is either (a) a “qualified institutional buyer” as defined in Rule 144A of the Securities Act of 1933, as amended (the “Act”), or (b) an “accredited investor,” described in Sections (a)(1), (2), (3), (7), (8), (9), (12), or (13) of Rule 501 of Regulation D promulgated under the Act, and therefore has sufficient knowledge and experience in financial and business matters, including in the purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3. The Bonds are being acquired by the Investor for investment and not with a current view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the Investor may sell the Bonds at any time the Investor deems appropriate, subject to the transfer restrictions set forth in the Bonds and in the Indenture. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since a sale of the Bonds, or any portion thereof, prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the Act and that such registration is not legally required as of the date hereof and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating, and (d) will be delivered in a form which may not be readily marketable due to restrictions on transfer.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, which it has requested from the Borrower and which the Investor believes to be significant in making investment decisions, which information is included in the Preliminary Limited Offering Memorandum, dated [____], 2023 (the “Preliminary Limited Offering Memorandum”), and the Limited Offering Memorandum, dated as of [____], 2023 (the “Limited Offering Memorandum”), and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals, including its own counsel, concerning the Borrower, the Project, the Lessee, the Bond Documents and the Bonds and the security therefor so that the Investor has been able to make a decision to purchase the Bonds.

6. The Investor has received a copy of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum. The Investor acknowledges that it has not relied upon any advice, counsel, representation or information of the Authority in connection with the Investor’s purchase of the Bonds.

7. The Investor acknowledges that the obligations of the Authority under the Indenture are special, limited obligations payable solely from amounts paid to the Authority or the Trustee from the Borrower and the Landlords, as the initial Members of the Obligated Group pursuant to the Loan Agreement and Obligation No. 1 and the Authority shall not be directly or indirectly or contingently or morally obligated to use any moneys or assets of the Authority to pay any portion of the costs of the Project, the Costs of Issuance, or any other costs or expense in connection with the Project, the Costs of Issuance, the Bonds or the Bond Documents. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the Authority (which has no taxing power), the State of California or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and

credit of the Authority, the State of California or any political subdivision thereof; that no right will exist to have taxes levied by the State of California or any political subdivision thereof for the payment of principal of or interest on the Bonds and that the liability of the Authority and the State of California with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

8. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor, and other material factors affecting the security and payment of the Bonds. The Investor is aware that the business of the Borrower and the Lessee involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds. The Investor has reviewed the documents executed in conjunction with the issuance of the Bonds, or summaries thereof, including, without limitation, the Indenture, the Master Indenture, the Supplemental Master Indenture, the Lease and the Loan Agreement.

9. The Investor acknowledges and agrees that the Authority takes no responsibility for, and makes no representation to the Investor, or any subsequent purchaser, with regard to, a sale, transfer or other disposition of the Bonds in violation of the provisions hereof, or any securities law or income tax law consequences thereof. The Investor also acknowledges that, with respect to the Authority's obligations and liabilities, the Investor is solely responsible for compliance with the sales restrictions on the Bonds in connection with any subsequent transfer of the Bonds made by the Investor.

10. The Investor agrees that it is bound by and will abide by the provisions of the Indenture relating to transfer, the restrictions noted on the face of the Bonds and this Investor Letter. The Investor also covenants to comply with all applicable federal and state securities laws, rules and regulations in connection with any resale or transfer of the Bonds by the Investor.

11. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties herein by the addressees hereto.

12. The Investor hereby waives any and all claims, actions, or causes of action which the Investor may have from and after the date hereof against the Authority, counsel to the Authority, and their respective members, officers, agents, and employees, growing out of any action (other than willful misconduct) which the Authority took or could have taken in connection with the authorization, execution, delivery, and sale of the Bonds or the purchase of the Bonds by the undersigned or in connection with any statements or representations which induced the undersigned to purchase the Bonds. This waiver does not go to the Borrower, the Underwriter, Bond Counsel, the Lessee, or their counsel, their respective members, officers, agents, or employees.

The interpretation of the provisions hereof shall be governed and construed in accordance with California law without regard to principles of conflicts of laws.

Date: _____, 2023

Very truly yours,

NAME OF INVESTOR

By: _____

Name: _____

Title: _____

FORM OF BONDHOLDER REPRESENTATIVE LETTER

The Honorable Fiona Ma
Treasurer of the State of California
915 Capitol Mall, Room 261
Sacramento, California 95814

California School Finance Authority
304 South Broadway
Los Angeles, California 90013

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111

RBC Capital Markets, LLC
777 S. Figueroa St., Suite 850
Los Angeles, California 90017

Re: \$[PARA] California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A and \$[PARB] California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable)

Ladies and Gentlemen:

This letter is being delivered in connection with the sale of \$_____ aggregate principal amount of California School Finance Authority (the "Authority") Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) 2023A (the "Purchased Series 2023A Bonds") and \$_____ aggregate principal amount of California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable) (the "Purchased Series 2023B Bonds" and, together with the Purchased Series 2023A Bonds, the "Purchased Bonds"), issued pursuant to an Indenture, dated as of [_____] 1, 2023 (the "Indenture"), between the Authority and U.S. Bank Trust Company, National Association (the "Trustee").

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

This letter is being provided pursuant to a Bond Purchase Agreement, dated [_____] 1, 2023 (the "Purchase Agreement"), among the Authority, the Treasurer of the State of California, as agent for sale on behalf of the Authority, RBC Capital Markets, LLC (the "Underwriter"), and approved by Grupo Nuevo Los Angeles (the "Borrower" and "Obligated Group Representative") and Camino Nuevo Charter Academy, a California nonprofit public benefit corporation ("Camino Nuevo").

The undersigned acknowledges that the Bonds are being delivered for the purpose of financing the acquisition, expansion, remodeling, renovation, furnishing and/or equipping of certain charter school facilities located in Los Angeles, California (the "Project") on behalf of the Borrower, as more particularly described in the Loan Agreement, dated as of [_____] 1, 2023 (the "Loan Agreement"), by and between the Authority and the Borrower. The undersigned further acknowledges that the Lessee will lease the charter school facility to the Borrower, and the Borrower will sublease the charter school facility to the Lessee pursuant to those certain lease and sublease agreements (collectively, the "Lease") between the Borrower and the Lessee.

The Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the Loan Agreement and Obligation No. 1 relating to the Bonds ("Obligation No. 1") issued by the Obligated Group Representative in an amount equal to the aggregate principal amount of the Bonds pursuant to a Master Indenture of Trust, dated as of [_____] 1, 2023 (the "Master Indenture"), as supplemented by a Supplemental Master Indenture for Obligation No. 1, dated as of [_____] 1, 2023 (the "Supplemental Master Indenture"), each by and between the Obligated Group Representative, the Borrower and the Landlords, as the initial Members of the Obligated Group, and U.S. Bank Trust Company, National Association, as master trustee (the "Master Trustee"). The Indenture, the Loan Agreement, the Lease, the Master Trust Indenture, and the Supplemental Master Indenture are referred to herein as the "Bond Documents."

In connection with the sale of the Purchased Bonds, the undersigned (the “Bondholder Representative”) hereby makes the following representations upon which you may rely:

1. The Bondholder Representative is a “qualified institutional buyer” as defined in Rule 144A of the Securities Act of 1933, as amended (the “Act”) or a registered investment adviser as defined in the Investment Advisers Act of 1940, responsible for managing at least \$1 billion in assets.

2. The Bondholder Representative has discretionary authority over the investments of its clients who will be the owners of the Purchased Bonds (the “Owners”), is the duly appointed representative of the Owners of all of the Purchased Bonds and is authorized to act on behalf of the Owners.

3. Each Owner is an “accredited investor” as described in Sections (a)(1), (2), (3), (7), (8), (9), (12) or (13) of Rule 501 of Regulation D promulgated under the Act, or a “qualified institutional buyer” as defined in Rule 144A of the Act, and therefore has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the Purchased Bonds.

4. The Bondholder Representative and each Owner understands that the Bonds are not registered under the Act and that such registration is not legally required as of the date hereof and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating, and (d) may not be readily marketable due to restrictions on transfer.

5. Each Owner is acquiring its Bonds for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and each Owner intends to hold its Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of its Bonds. However, each Owner, or the Bondholder Representative on behalf of such Owner, may sell such Owner’s Bonds at any time such Owner, or the Bondholder Representative on behalf of such Owner, deems appropriate, subject to the transfer restrictions set forth in the Bonds and in the Indenture. Each Owner understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

6. The Bondholder Representative, on behalf of itself and each Owner, acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, which it has requested from the Borrower and to which the Bondholder Representative, on behalf of itself and each Owner would attach significance in making investment decisions, which information is included in the Preliminary Limited Offering Memorandum, dated [____], 2023, (the “Preliminary Limited Offering Memorandum”), and the Limited Offering Memorandum, dated as of [____], 2023 (the “Limited Offering Memorandum”), and the Bondholder Representative, on behalf of itself and each Owner, has had the opportunity to ask questions and receive answers from knowledgeable individuals, including its own counsel, concerning the Borrower, the Project, the Lessee, the Bond Documents and the Bonds and the security therefor so that, as a reasonable investor, the Bondholder Representative, on behalf of itself and each Owner, has been able to make a decision to purchase the Bonds.

7. The Bondholder Representative, on behalf of itself and each Owner, has received a copy of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum. The Bondholder Representative, on behalf of itself and each Owner, acknowledges that it has not relied upon any advice, counsel, representation or information of the Authority in connection with the Bondholder Representative’s purchase, on behalf of the Owner, of the Bonds.

8. The Bondholder Representative, on behalf of itself and each Owner, acknowledges that the obligations of the Authority under the Indenture are special, limited obligations payable solely from amounts paid to the Authority or the Trustee pursuant to the Loan Agreement and Obligation No. 1 and the Authority

shall not be directly or indirectly or contingently or morally obligated to use any moneys or assets of the Authority to pay any portion of the costs of the Project, the Costs of Issuance, or any other costs or expense in connection with the Project, the Costs of Issuance, the Bonds or the Bond Documents. The Bondholder Representative, on behalf of itself and each Owner, understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the Authority (which has no taxing power), the State of California or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the Authority, the State of California or any political subdivision thereof; that no right will exist to have taxes levied by the State of California or any political subdivision thereof for the payment of principal of or interest on the Bonds and that the liability of the Authority and the State of California with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

9. The Bondholder Representative, on behalf of itself and each Owner, has made its own inquiry and analysis with respect to the Bonds and the security therefor, and other material factors affecting the security and payment of the Bonds. The Bondholder Representative and each Owner are aware that the business of the Borrower and the Lessee involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds. The Bondholder Representative, on behalf of itself and each Owner, has also reviewed the documents executed in conjunction with the issuance of the Bonds, or summaries thereof, including, without limitation, the Indenture, the Master Indenture, the Supplemental Master Indenture, the Lease and the Loan Agreement.

10. The Bondholder Representative, on behalf of itself and each Owner, acknowledges and agrees that the Authority takes no responsibility for, and makes no representation to the Bondholder Representative or such Owner, or any subsequent purchaser, with regard to, a sale, transfer or other disposition of the Bonds in violation of the provisions hereof, or any securities law or income tax law consequences thereof. The Bondholder Representative, on behalf of itself and each Owner, also acknowledges that, with respect to the Authority's obligations and liabilities, the Bondholder Representative and such Owner are solely responsible for compliance with the sales restrictions on the Bonds in connection with any subsequent transfer of the Bonds made by such Owner or by the Bondholder Representative on behalf of such Owner.

11. The Bondholder Representative, on behalf of itself and each Owner, agrees that it is bound by and will abide by the provisions of the Indenture relating to transfer, the restrictions noted on the face of the Bonds and this Investor Letter. The Bondholder Representative and each Owner will comply with all applicable federal and state securities laws, rules and regulations in connection with any resale or transfer of the Purchased Bonds by such Owner, or by the Bondholder Representative on behalf of such Owner.

12. The Bondholder Representative, on behalf of itself and each Owner, acknowledges that the sale of the Bonds to such Owner is made in reliance upon the certifications, representations and warranties herein by such Owner and by the Bondholder Representative on behalf of itself and on behalf of such Owner.

13. The Bondholder Representative, on behalf of itself and each Owner, hereby waives any and all claims, actions, or causes of action which such Owner or the Bondholder Representative on behalf of such Owner may have from and after the date hereof against the State Treasurer, the Authority, counsel to the Authority, counsel to the State Treasurer and their respective members, officers, agents, and employees, growing out of any action (other than willful misconduct) which the Authority or the State Treasurer took or could have taken in connection with the authorization, execution, delivery, and sale of the Bonds or the purchase of the Bonds by the Owner or by the Bondholder Representative on behalf of such Owner or in connection with any statements or representations which induced the Owner or the Bondholder Representative on behalf of such Owner to purchase the Bonds. This waiver does not go to the Borrower, the Underwriter, Bond Counsel, the Lessee, or their counsel, their respective members, officers, agents, or employees.

14. The interpretation of the provisions hereof shall be governed and construed in accordance with California law without regard to principles of conflicts of laws.

Date: _____, 2023

Very truly yours,

NAME OF BONDHOLDER REPRESENTATIVE

By: _____

Name: _____

EXHIBIT E

**FORM OF DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY
AGREEMENT AND FIXTURE FILING**

RECORDING REQUESTED BY)
AND WHEN RECORDED, RETURN TO:)
)
Kutak Rock LLP)
777 S Figueroa Street, Suite 4550)
Los Angeles, California 90017)
)
Attn: Jessica Shaham, Esq.)
)
)
_____))
COUNTY OF LOS ANGELES

**DEED OF TRUST
WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING**

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this “Deed of Trust”), is made as of [_____] 1, 2023, by [Landlord], a California limited liability company, as trustor (“Trustor”), to [Fidelity Title Insurance Company], as trustee (“Trustee”), for the benefit of the U.S. Bank Trust Company, National Association, a national banking association, as Beneficiary (“Beneficiary” and “Master Trustee”), as master trustee under that certain Master Indenture of Trust, dated as of [_____] 1, 2023 (the “Master Indenture”), as amended and supplemented from time to time, among the Trustor, as Borrower and as the obligated group representative, other members of the obligated group, and the Beneficiary. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Indenture.

ARTICLE I. GRANT IN TRUST

1.1 Trustor hereby grants and assigns to Trustee, in trust, with power of sale and right of entry and possession, all of Trustor’s right, title and interest in that certain real property located in the County of Los Angeles, State of California, as described on Exhibit A attached hereto and by this reference incorporated herein (the “Site” or the “Land”), together with all of the Trustor’s right, title and interest, whether now owned or hereafter acquired, in or to the property and rights listed in paragraphs (a) through (m) below (hereinafter collectively with the Site referred to as the “Property”):

(a) All buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter located on the Site (hereinafter referred to as the “Improvements”); and to the extent permitted by law, the name or names, if any, as may now or hereafter be used for each Improvement;

(b) All easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Site or the Improvements and the reversions, remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Site to the center line thereof and all the estates, rights, titles, interests, property, possession, claim and demand whatsoever, both in law and in equity, of Trustor of, in and to the Site and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(c) All machinery, equipment, fixtures (including, but not limited to, all heating, air conditioning, plumbing, lighting, communications and elevator fixtures), inventory and articles of personal property and accessions thereof and renewals, replacements thereof and substitutions therefor, and other tangible property of every kind and nature whatsoever owned by Trustor, or in which Trustor has or shall have an interest, now or hereafter located upon the Site or the Improvements, or appurtenances thereto, or used in connection with the present or future operation and occupancy of the Site or the Improvements;

(d) All awards of payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property to the extent actually received by Trustor, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer of the Property or part thereof made in lieu of or in anticipation of the exercise of said right), or for any other injury to or decrease in the value of the Property;

(e) All rights to minerals, oil and gas and other hydrocarbon substances, all water, irrigation and drainage rights, and all crops and timber on, under or relating to the Land; all shares of stock in any water company or other utility supplying water or utility services to the Land; and all damages, royalties and revenues of every kind, nature and description whatsoever that Trustor may be entitled to receive from any person or entity owning or hereafter acquiring a right to any oil, gas and mineral rights and reservations appurtenant or otherwise related to the Land;

(f) All privileges and other rights now or hereafter appurtenant or incidental to the Land, including air rights and development rights relating to the Land and all streets, curbs, gutters, sidewalks, sewers, storm drains, roads and public places, open or proposed; and all easements and rights of way, public or private, now or hereafter used in connection with the Land;

(g) All reserves, escrows and deposit accounts maintained by Trustor with respect to the Property (including, without limitation, all reserves, escrows, deposit accounts and other accounts established pursuant to the Loan Agreement), together with all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property from time to time held therein, and all proceeds, products, distributions, dividends or substitutions thereon or thereof;

(h) All plans, drawings, specifications, contracts and agreements for development, subdivision, grading or construction of any Improvements now located on, or hereafter to be constructed on, the Land and all studies, data and drawings relating thereto; all approvals, permits, entitlements, development agreements or other rights relating thereto; all payment, performance or other bonds and all deposits and other security delivered to, by or for the benefit of Trustor in connection with the construction of Improvements on the Land; any and all construction materials, supplies and equipment used or to be used in connection with the construction of Improvements on the Land, whether or not stored on the Land, and all warranties and guaranties relating thereto; any and all contracts, subcontracts, agreements, and purchase orders with architects, engineers, consultants, contractors, subcontractors, suppliers and materialmen incidental to construction of Improvements on the Land; all reserves, deferred payment deposits, cost savings and payments of any kind relating to the construction of such Improvements; and all drawings, maps, plats, surveys, studies and reports relating to the Land;

(i) All leases and other agreements affecting the use, enjoyment or occupancy of the Property now or hereafter entered into (the "Leases") and all oil and gas or other mineral royalties, bonuses and rents, revenues, security deposits, issues and profits from the Property (the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the obligations secured by this Deed of Trust;

(j) All names, trade names, trademarks, service marks, and logos by which the Land is known or operated, all rights to conduct business under any such name or any variation thereof, and all goodwill in any way relating to the Land;

(k) All insurance policies and proceeds of and any unearned premiums on any insurance policies covering the Property including, without limitation, the right to receive and apply the proceeds of any insurance, judgments (including with respect to a casualty thereto or condemnation thereof), or settlements made in lieu thereof, for damage to the Property;

(l) The right, in the name and on behalf of Trustor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Beneficiary in the Property; and

(m) All right, title and interest of every nature of the Trustor in all receivables and other accounts of Trustor relating to the Property and in all monies deposited or to be deposited in any funds or account maintained or deposited with Beneficiary, or its assigns, in connection herewith, if any.

ARTICLE II. ASSIGNMENT OF RENTS

2.1 Trustor absolutely and irrevocably assigns to Beneficiary the Rents of the Property upon the terms and conditions hereinafter set forth. The foregoing assignment shall not impose upon Beneficiary any duty to produce Rents from the Property, and said assignment shall not cause Beneficiary to be a "mortgagee in possession" for any purpose. This assignment of the Rents and

profits of the Property is intended to be an absolute assignment from Trustor to Beneficiary and not merely the passing of a security interest. Beneficiary is hereby authorized to collect and receive the foregoing Rents, to give proper receipts and acquittances therefor and to apply the same to the payment of the obligations secured hereby. However, Beneficiary hereby grants Trustor a revocable license to collect and receive, and to use in accordance with the provisions of the Master Indenture, such Rents until after an Event of Default (as that term is defined herein in Article V, Default Provisions) has occurred and while such Event of Default is continuing. Upon an Event of Default, the license shall be automatically revoked, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court appointed receiver, Beneficiary shall immediately be entitled to possession of all Rents of the Property as the same shall become due and payable, including, but not limited to, Rents then due and unpaid. All such Rents thereafter collected by Trustor shall be held by Trustor as trustee in a constructive trust for the benefit of Beneficiary only. Trustor agrees that commencing upon delivery of such written notice of revocation of license, each tenant of the Property shall make such Rents payable to and pay such Rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant, without any liability on the part of said tenant to inquire further as to the existence of a default or license by Trustor.

ARTICLE III. OBLIGATIONS SECURED

3.1 Trustor makes the foregoing grant for the purpose of securing (collectively, the "Secured Obligations"):

(a) Payment to the California School Finance Authority (the "Authority") of all Loan Repayments and Additional Payments and other amounts to be paid by Trustor arising under the Loan Agreement, dated of even date herewith, between the Authority and the Borrower (the "Loan Agreement") and amounts due under the obligations issued pursuant to the Master Indenture;

(b) The observance and performance by Trustor of each covenant and obligation on the part of Trustor to be observed or performed pursuant to the Loan Agreement (hereinafter as amended, supplemented or otherwise modified from time to time referred to collectively with the Master Indenture, as the "Financing Documents");

(c) The payment of all payments required with respect to Related Bonds issued or executed and delivered from time to time by the Trustor and the performance by Trustor of each covenant and obligation on part of Trustor to be observed or performed pursuant to the agreements and/or instruments pursuant to which such Related Bonds is issued or executed and delivered;

(d) The observance and performance of each covenant and obligation of Trustor herein contained or incorporated herein by reference and payment of each fee, cost and expense by Trustor as herein set forth; and

(e) Payment of such further sums and/or performance of such further obligations as the then record owner of the Property may undertake to pay and/or perform (whether as principal, surety or guarantor), for the benefit of Beneficiary, its successors or

assigns, when said borrowing and/or obligation is evidenced by a writing or writings signed by such owner reciting that it or they are so secured.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, THE PARTIES AGREE AS FOLLOWS:

ARTICLE IV. RIGHTS AND DUTIES OF THE PARTIES.

4.1 Title. Trustor warrants that it lawfully holds and possesses the real property as shown in Exhibit A, in fee simple, free and clear of all liens, encumbrances and other exceptions, other than the Permitted Liens, and without limitation on the right to encumber except as set forth in the Loan Agreement.

4.2 Taxes and Assessments. Trustor shall pay or cause to be paid prior to delinquency all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or may become a lien upon the Property, any part thereof or interest therein (unless contested in good faith by Trustor). Trustor shall also pay, after notice and prior to delinquency, all taxes, assessments, levies and charges imposed by any public authority upon Beneficiary by reason of its interest in the Property created hereby or by reason of any payment, or portion thereof, made to Beneficiary hereunder or pursuant to any obligation hereby secured; provided, however, that Trustor shall have no obligation to pay or discharge Beneficiary's business or franchise taxes, federal or state income taxes or other taxes and which are measured by and imposed upon Beneficiary's net or gross income or receipts.

4.3 Insurance. Trustor shall provide all insurance specified in the Financing Documents.

4.4 Liens and Encumbrances. Except as permitted by the Financing Documents, Trustor shall pay, when due at or prior to maturity or such other period as permitted in the Loan Agreement, all obligations secured by or reducible to liens and encumbrances which shall now or hereafter encumber or appear to encumber the Property or any part thereof or interest therein, whether senior or subordinate hereto, including without limitation all claims for work or labor performed, or materials or supplies furnished, in connection with any work of demolition, alteration, improvement of or construction upon the Property. Trustor shall have the right to contest in good faith any such obligation or claim provided such contest shall be prosecuted diligently and in a manner not prejudicial to Beneficiary, and if a judgment adverse to Trustor is obtained, such judgment shall be fully paid or discharged within ten (10) days after the entry of such judgment unless such judgment is stayed. Upon demand by Beneficiary, Trustor shall defend, indemnify and hold Beneficiary harmless against any such obligation or claim, so contested by Trustor, and upon demand by Beneficiary, Trustor shall make suitable provision by payment to Beneficiary or by posting a bond or other security satisfactory to Beneficiary for the possibility that the contest will be unsuccessful, including, if Beneficiary requests, a one-and-one half times bond with respect to mechanics' or materialmen's liens, if available. Such provision shall be made within ten (10) days after demand therefor and, if made by payment of funds to Beneficiary, the amount so deposited shall be disbursed in accordance with the resolution of the contest either to Trustor or the adverse claimant. If Trustor fails to post a suitable bond or other acceptable security as provided, Beneficiary may remove or pay such lien or encumbrance at Trustor's expense.

4.5 Disposition of Insurance and Condemnation Proceeds. Trustor agrees to apply all insurance and condemnation proceeds in accordance with the terms and conditions of the Financing Documents.

4.6 Maintenance and Preservation of the Property.

(a) Trustor covenants: (i) to maintain or cause to be maintained the Property in good condition and repair; (ii) to pay when due all claims for work performed and for materials furnished on or to the Property to the extent required by the Financing Documents and which are not otherwise being contested by the Trustor in good faith, and to pay within the periods permitted in the Financing Documents any and all liens or encumbrances arising out of or resulting from work performed or materials supplied on or to the Property to the extent required by the Financing Documents; (iii) to comply in all material respects with and not suffer material violations of, (a) any and all laws, ordinances and regulations ("Laws"), (b) any and all covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character ("Covenants"), and (c) all requirements of insurance companies ("Requirements"), which Laws, Covenants or Requirements affect the Property and pertain to acts committed or conditions existing thereon, including without limitation such work of alteration, improvement or demolition as such Laws, Covenants or Requirements mandate; (iv) not to commit or permit waste of the Property or any material part thereof; (v) to do all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value; (vi) to perform all material obligations required to be performed in leases, conditional sales contracts or like agreements affecting the Property or the operation, occupation or use thereof (and upon the occurrence and continuance of an Event of Default all right, title and interest of Trustor under any such leases, conditional sales contracts or like agreements shall be automatically assigned to Beneficiary hereunder, together with any deposits made in connection therewith); (vii) not to create any deed of trust or encumbrance upon the Property other than Permitted Liens; (viii) to make no further assignment of Rents of the Property other than Permitted Liens; and (ix) to execute and, where appropriate, acknowledge and deliver such further instruments as Beneficiary or Trustee reasonably deems necessary or appropriate to preserve, continue, perfect and enjoy the security provided for herein, including without limitation assignments of Trustor's interest in leases of the Property.

(b) Without the prior written consent of Beneficiary, which consent will not be unreasonably withheld or delayed, Trustor will not apply for, directly or indirectly, any change in the zoning or permitted land uses of the Property, other than to permit the development of the Facilities as required by the Loan Agreement and Indenture, which change could reasonably be expected to materially and adversely affect the use or value of the Property.

4.7 Defense and Notice of Actions. Trustor shall, without liability, cost or expense to Beneficiary or Trustee, protect, preserve and defend (by counsel satisfactory to Beneficiary) title to the Property, the security hereof and the rights or powers of Beneficiary or Trustee hereunder. Said protection, preservation and defense shall include protection, preservation and defense against all adverse claimants to title or any possessory or non-possessory interest therein, whether or not

such claimants or encumbrances assert title paramount to that of Trustor or claim their interest on the basis of events or conditions arising subsequent to the date hereof, other than Permitted Liens. Trustor shall give Beneficiary and Trustee prompt notice in writing of the filing of any such action or proceeding.

4.8 Books and Records.

(a) Trustor will keep adequate books and records of account of the Property and its own financial affairs sufficient to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. Upon the occurrence and continuance of an Event of Default (as such term is defined in Article V, Default Provisions), Beneficiary will have the right to examine, copy and audit Trustor's records and books of account at all reasonable times during normal business hours upon not less than five (5) Business Days' prior written notice to Trustor. Trustor shall deliver to Beneficiary such records, statements and notices as may be required from time to time pursuant to the terms of the Loan Agreement.

(b) Trustor will promptly furnish, within fifteen (15) days after Beneficiary's written request, a duly acknowledged written statement setting forth all amounts due on the indebtedness secured by this Deed of Trust and stating whether, to the best of Trustor's knowledge, any offsets or defenses exist, and containing such other matters as Beneficiary may reasonably require.

4.9 Collection of Rents. Subject to the provisions of the Financing Documents, Beneficiary confers upon Trustor the authority to collect and retain Rents of the Property as they become due and payable; provided, however, that Beneficiary may revoke said authority and collect and retain the Rents of the Property assigned herein to Beneficiary upon the occurrence and continuance of an Event of Default by Trustor upon giving written notice to Trustor, and without regard to the adequacy of any security for the indebtedness hereby secured, and without taking possession of all or any part of the Property or becoming a "mortgagee in possession." The right to collect Rents as herein provided shall not grant to Beneficiary or Trustee the right to possession, except as expressly herein provided; nor shall said right impose upon Beneficiary or Trustee the duty to produce Rents or profits or maintain the Property in whole or in part. Trustor hereby agrees that it will do nothing to impair Beneficiary's ability to collect and retain the Rents and interests herein assigned on the terms hereof and that any tenant or subtenant occupying the Property or any part thereof may pay any and all Rents or other charges directly to Beneficiary upon notice from Beneficiary without the necessity of any notice from Trustor. Beneficiary may apply, in its sole discretion, any Rents, so collected by Beneficiary against any indebtedness secured hereby or any obligations of Trustor arising hereunder or any other obligations of Trustor to Beneficiary, whether existing on the date hereof or hereafter arising. Collection of any Rents by Beneficiary shall not cure or waive any default or notice of default hereunder or invalidate any acts done pursuant to such notice.

4.10 Right of Inspection. Beneficiary, its agents, contractors and employees, may enter the Property in accordance with the rights of inspection set forth in the Loan Agreement.

4.11 Acceptance of Trust; Notice of Indemnification. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, becomes a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless Trustee brings such action. Trustee shall not be obligated to perform any act required of it hereunder unless the performance of such act is requested in writing and Trustee is reasonably indemnified against loss, cost, liability and expense.

4.12 Powers of Trustee. From time to time upon the written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or performance of the obligation secured hereby, Trustee may, without liability therefor and without notice, (i) reconvey all or any part of the Property, (ii) consent to the making of any map or plat thereof, (iii) join in granting any easement thereon, (iv) join in any declaration of covenants and restrictions, or (v) join in any extension agreement or any agreement subordinating the lien or charge hereof. Trustee shall, upon request by Trustor, and at no expense to Trustee or Beneficiary, consent to utility easements, subdivision maps and similar rights in the Property granted or applied for by Trustor, provided that rights granted or applied for (a) are customary in connection with the development of real property, (b) are reasonable in form and content, and (c) do not materially and adversely diminish the value of the Property. Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trusts hereunder and the enforcement of the rights and remedies available hereunder, and Trustee or Beneficiary may obtain orders or decrees directing or confirming or approving acts in the execution of said trusts and the enforcement of said remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding unless held or commenced and maintained by Trustee under this Deed of Trust. Trustor shall pay to Trustee reasonable compensation and rents for services and expenses in the administration of the trusts created hereunder upon the occurrence of an Event of Default, including reasonable attorneys' fees. Trustor indemnifies Trustee and Beneficiary against all losses, claims, demands and liabilities (except losses, claims, demands or liabilities arising from the negligence or willful misconduct of the indemnified party) which may be incurred, suffered or sustained in the execution of the trusts created hereunder or in the performance of any act required or permitted hereunder or by law.

4.13 Substitution of Trustees. From time to time, by a writing signed and acknowledged by Beneficiary and recorded in the Office of the Recorder of the County in which the Property is located, a copy of which shall be delivered to Trustor, Beneficiary may appoint another trustee to act in the place and stead of Trustee or any successor. Such writing shall refer to this Deed of Trust and set forth the date, book and page of its recordation. The recordation of such instrument of substitution shall discharge Trustee herein named and shall appoint the new trustee as the trustee hereunder with the same effect as if originally named Trustee herein. A writing recorded pursuant to the provisions of this paragraph shall be conclusive proof of the proper substitution of such new trustee.

4.14 Reconveyance. Upon Beneficiary's written request, and upon surrender to Trustee for cancellation of this Deed of Trust and a copy of the instrument or instruments setting forth all obligations secured hereby, Trustee shall reconvey, without warranty, the Property or that portion thereof then held hereunder. The recitals of any matters or facts in any reconveyance executed

hereunder shall be conclusive proof of the truthfulness thereof. To the extent permitted by law, the reconveyance may describe the grantee as “the person or persons legally entitled thereto.” Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all future Rents of the Property to the person or persons legally entitled thereto, unless such reconveyance expressly provides to the contrary.

4.15 Certain Taxes. In the event of the passage, after the date of this Deed of Trust, of any law deducting from the value of the Property for the purpose of taxation, any lien thereon, or changing in any way the laws now in force for the taxation of deeds of trust or debts secured by deeds of trust or similar instruments, or the manner of the collection of any such taxes, so as to affect this Deed of Trust, or imposing payment of the whole or any portion of any taxes, assessments or other similar charges against the Property upon Beneficiary, Trustor shall pay such tax or increased portion and shall agree with Beneficiary in writing to pay, or reimburse Beneficiary for the payment of, any such tax or increased portion thereof when thereafter levied or assessed against the Property or any portion thereof. The obligations of Trustor under such agreement shall be secured by this Deed of Trust.

4.16 Environmental Matters.

(a) Definitions. The following definitions apply to the provisions of this Section 4.16:

(1) The terms “Responsible Person” shall mean Trustor, and any other person who owns or acquires any interest in any part of the Property so long as Trustor continues to own the Property, including but not limited to any tenants, easement holders, licensees and other persons using or occupying the Property or any portion thereof and all persons in transit across any part of the Property.

(2) The term “Applicable Law” shall include, but shall not be limited to, each statute named or referred to in (3) below, and all rules and regulations thereunder, and any other local, state and/or federal laws, rules, regulations and ordinances, whether currently in existence or hereafter enacted, which govern, to the extent applicable to the Property,

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

(ii) the protection of the environment from soil, air or water pollution, or from spilled, deposited or otherwise emplaced contamination;

(iii) the emission or discharge of hazardous substances into the environment;

(iv) the control of hazardous wastes; or

(v) the use, generation, transport, treatment, removal or recovery of hazardous substances.

(3) The term “Hazardous Substance” shall mean (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Property or to persons on or about the Property or (ii) cause the Property to be in material violation of any Applicable Law; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Applicable Law including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. §§ 9601 *et seq.*; the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. §§ 6901 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 *et seq.*; the California Hazardous Waste Control Law (“HWCL”), CAL. HEALTH & SAFETY CODE §§ 25100 *et seq.*; the Hazardous Substance Account Act (“HSAA”), CAL. HEALTH & SAFETY CODE §§ 25300 *et seq.*; the Underground Storage of Hazardous Substances Act, CAL. HEALTH & SAFETY CODE §§ 25280 *et seq.*; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), CAL. WATER CODE §§ 13000 *et seq.*; the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); and Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Property or the owners and/or occupants of property adjacent to or surrounding the Property, or any other person coming upon the Property or adjacent property; and (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

(b) Covenants and Representations.

(1) Except as set forth in the Limited Offering Memorandum, dated [____], 2023 (the “Limited Offering Memorandum”), related to the issuance of the California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023A and the California School Finance Authority Charter School Revenue Bonds (Camino Nuevo Charter Academy - Obligated Group) Series 2023B (Taxable), Trustor represents and warrants that there have not been during the period of Trustor’s ownership and, to the best of Trustor’s knowledge, information and belief, there have not been at any other times, any activities on the Property involving, directly or indirectly, the use, generation, treatment, storage or disposal of any Hazardous Substances in material violation of Applicable Law (a) under, on or in the land included in the Property, whether contained in soil, tanks, sumps, ponds, lagoons, barrels, cans or other containments, structures or equipment, (b) incorporated in the buildings, structures or improvements included in the Property, including any

building material containing asbestos, or (c) used in connection with any operations on or in the Property, in each case that would have a material adverse effect on the Trustor's operations, taken as a whole.

(2) Trustor shall not allow, nor shall it permit any other Responsible Person to allow, any Hazardous Substances to be brought onto, installed, used, stored, treated or disposed or transported over the Property in material violation of Applicable Law. Without limiting the generality of the foregoing, Trustor shall not, nor shall it permit any Responsible Person to, install, use or permit to be installed or used any product or substance containing asbestos, urea formaldehyde foam insulation or polychlorobiphenyls (pcbs) on the Property in violation of Applicable Law.

(3) Trustor represents that all activities and conditions on the Property are currently in compliance with Applicable Law, except to the extent that non-compliance could not reasonably be expected to materially impair the use of the Property or materially and adversely affect the value thereof. So long as Trustor shall own the Property, Trustor covenants and agrees that all activities on the Property, whether conducted by any Responsible Person or by any other person under the Trustor's license or control, shall at all times comply with Applicable Law except to the extent that non-compliance could not reasonably be expected to materially impair the use of the Property or materially and adversely affect the value thereof.

(4) Within ten (10) days after receipt or completion of any material report, citation, order, manifest or other written or oral communication from any local, state or federal agency or authority empowered to enforce, investigate or oversee compliance with Applicable Law, concerning the Property, any condition thereon, or the activities of any person on or near the Property, Trustor shall notify Beneficiary in writing of the contents of such communication, and shall provide Beneficiary with a copy of all relevant documents.

(5) Notwithstanding any other provision of this Deed of Trust, upon discovery of any Hazardous Substance on or in the Property in material violation of Applicable Law, including, without limitation, substances that have leached onto the Property from neighboring property, substances that were deposited prior to Trustor's ownership of the Property and all substances spilled, discharged or otherwise emitted or deposited on the Property during Trustor's ownership, Trustor shall immediately notify Beneficiary thereof. Trustor shall immediately take all actions necessary to comply with Applicable Law requiring notification of government agencies concerning such Hazardous Substance and to the extent required by law to remedy or correct the violation. Trustor shall handle and dispose of such substances in accordance with Applicable Law. Trustor shall take any and all actions, including institution of legal action against third parties, which in Trustor's reasonable business judgment are appropriate to obtain reimbursement or compensation from such persons as were responsible for the presence of any Hazardous Substance on the Property or otherwise obligated by law to bear the cost

of such remedy. Beneficiary shall be subrogated to Trustor's rights in all such claims.

(6) Trustor shall be solely responsible for and agrees to indemnify Beneficiary, the Authority and the Master Trustee, protect and defend with counsel acceptable to Beneficiary, the Master Trustee and the Authority, and hold Beneficiary, the Master Trustee and the Authority harmless from and against any claims (including without limitation third party claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlements of claims), interest or losses, reasonable attorneys' fees (including any fees and expenses incurred in enforcing this indemnity), reasonable consultant fees, and expert fees that arise directly or indirectly from or in connection with the presence, suspected presence, release or suspected release of any Hazardous Substance in, or from the Property, whether into the air, soil, surface water or groundwater at the Property, or any other violation of Applicable Law, or any breach of the foregoing representations and covenants. The provisions of this subparagraph 4.16(b)(6) shall survive the termination and reconveyance of this Deed of Trust.

(c) Right of Entry. In addition to all rights of entry contained in this Deed of Trust, Beneficiary shall have the right during normal business hours, upon not less than five (5) Business Days' prior written notice to Trustor, to enter and inspect the condition of the Property at any time and to conduct, or to designate a representative to conduct such inspection, testing, environmental audit or other procedures that Beneficiary reasonably believes are necessary or desirable to determine current compliance with the covenants and representations contained herein, provided that such inspection, testing, environmental audit or other procedures do not disrupt or negatively impact Trustor's ordinary business operations on the property and shall be at Beneficiary's sole cost and expense.

(d) Beneficiary's Obligations. Nothing contained in this Section 4.16 shall obligate Beneficiary to take any action with respect to the Property, any Hazardous Substances thereon, or any condition or activity that is in violation of Applicable Law, or to take any action against any person with respect to such substances, condition or activity.

4.17 Wetlands. Trustor represents and warrants that, to the best of its knowledge, no part of the Property consists of or is classified as wetlands, tidelands or swamp and overflow lands. Trustor shall be solely responsible for and agrees to indemnify Beneficiary, protect and defend with counsel acceptable to Beneficiary, and hold Beneficiary harmless from and against any claims (including without limitation third party claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlements of claims), interest or losses, reasonable attorneys' fees (including any fees and expenses incurred in enforcing this indemnity), reasonable consultant fees, and expert fees that arise directly or indirectly from or in connection with the presence on the Property of wetlands, tidelands or swamp and overflow lands, or any breach of the foregoing representation and warranty. The provisions of this Section 4.17 shall survive the termination and reconveyance of this Deed of Trust.

ARTICLE V. DEFAULT PROVISIONS.

5.1 Event of Default. As used in this Deed of Trust, the term “Event of Default” means each of the following:

(a) Trustor fails to perform or observe any term or condition of this Deed of Trust applicable to Trustor or to the Property, and such event or circumstance, if capable of being cured, is not cured within 60 days after written notice thereof is given by Trustee or Beneficiary to Trustor;

(b) The holder of any junior, subordinated or senior mortgage, deed of trust or other lien on the Property, or any part thereof (without hereby implying Beneficiary’s consent to any junior, subordinated or senior mortgage, deed of trust or other lien) is granted relief in any foreclosure or similar proceeding for the enforcement of its remedies thereunder, which relief (i) negatively affects Beneficiary’s rights hereunder and (ii) is not stayed; or

(c) If any Event of Default under the Indenture or under the Loan Agreement shall occur and be continuing.

5.2 Rights and Remedies. At any time after the occurrence and during the continuance of an Event of Default, Beneficiary and Trustee shall each have the following rights and remedies:

(a) To declare all obligations secured hereby immediately due and payable;

(b) With or without notice, and without releasing Trustor from any obligation hereunder, to cure any default of Trustor and, in connection therewith, to enter upon the Property and to perform such acts and things as Beneficiary or Trustee deem necessary or desirable to inspect, investigate, assess and protect the security hereof, including without limitation of any of its other rights: to obtain a court order to enforce Beneficiary’s right to enter and inspect the Property pursuant to California Civil Code Section 2929.5, to which the decision of Beneficiary as to whether there exists a release or threatened release of a Hazardous Substance onto the Property shall be deemed reasonable and conclusive as between the parties hereto; to have a receiver appointed pursuant to California Code of Civil Procedure Section 564 to enforce Beneficiary’s right to enter and inspect the Property for Hazardous Substances; to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee hereunder; to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the judgment of either Beneficiary or Trustee, is prior or superior hereto, the judgment of Beneficiary or Trustee being conclusive as between the parties hereto; to pay any premiums or charges with respect to insurance required to be carried hereunder; and to employ counsel, accountants, contractors and other appropriate persons to assist them;

(c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that

for the purposes of any suit brought under this subparagraph, Trustor waives the defense of laches and any applicable statute of limitations;

(d) Beneficiary or its employees, acting by themselves or through a court-appointed receiver may enter upon, possess, manage, operate, dispose of and contract to dispose of the Property or any part thereof; negotiate with governmental authorities with respect to the Property's environmental compliance and remedial measures; make, terminate, enforce or modify leases of the Property upon such terms and conditions as Beneficiary deems proper; contract for goods and services, hire agents, employees and counsel, make repairs, alterations and improvements to the Property necessary, in Trustee's or Beneficiary's judgment, to protect the security hereof; incur the risks and obligations ordinarily incurred by owners of property (without any personal obligation on the part of the receiver); and/or take any and all other actions which may be reasonably necessary or desirable to comply with Trustor's obligations hereunder and under the Financing Documents. All sums realized by Beneficiary under this subparagraph, less all costs and expenses incurred by it under this subparagraph, including reasonable attorneys' fees, and less such sums as Beneficiary reasonably deems appropriate as a reserve to meet future expenses under this subparagraph, shall be applied on any indebtedness secured hereby in such order as Beneficiary shall determine. Neither application of said sums to said indebtedness nor any other action taken by Beneficiary under this subparagraph shall cure or waive any Event of Default, or notice of default hereunder or nullify the effect of any such notice of default. Beneficiary or Trustee, or any employee or agent of Beneficiary or Trustee, or a receiver appointed by a court, may take any action or proceeding hereunder without regard to (i) the adequacy of the security for the indebtedness secured hereunder, (ii) the existence of a declaration that the indebtedness secured hereby has been declared immediately due and payable, or (iii) the filing of a notice of default except as otherwise provided in Section 5.1 above; and

(e) To execute a written notice of such Event of Default, and of its election to cause the Property to be sold to satisfy the obligations secured hereby, Trustee shall give and record such notice as the law then requires as a condition precedent to a Trustee's sale. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as otherwise required by law, shall sell the Property at the time and place of sale fixed by it in the notice of sale and in such order as it or Beneficiary may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale (the obligations hereby secured being the equivalent of cash for purposes of said sale). If the Property consists of several lots, parcels, or items of property, Beneficiary may: (i) designate the order in which such lots, parcels, or items shall be offered for sale or sold, or (ii) elect to sell such lots, parcels or items through a single sale, through two or more successive sales, or in any other manner Beneficiary deems in its best interest. Trustor shall have no right to direct the order in which the Property is sold. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at such time fixed by the preceding postponement. Trustee shall deliver to the purchaser at such sale a deed conveying the Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the

truthfulness thereof. Any person, including Trustee, Trustor or Beneficiary, may purchase at such sale.

In connection with any sale or sales hereunder, Beneficiary may elect to treat any of the Property which consists of a right in action or which is property that can be severed from the real property covered hereby or any improvements thereon without causing structural damage thereto as if the same were personal property or a fixture, as the case may be, and dispose of the same in accordance with applicable law, separate and apart from the sale of real property. Any sale of any personal property or fixtures hereunder shall be conducted in any manner permitted by the California Uniform Commercial Code.

After deducting all reasonable costs, fees and expenses of Trustee and of this trust, including all costs of evidence of title and reasonable attorneys' fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums so expended under the terms hereof not then repaid, the payment of all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto;

(f) To resort to and realize upon the security hereunder and any other security now or hereafter held by Beneficiary in such order and manner as Trustee and Beneficiary or either of them may, in their sole discretion, determine; and resort to any or all such security may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both;

(g) To seek a judgment that Trustor has breached its covenants, representations and/or warranties with respect to the environmental matters set forth above in Section 4.16, by commencing and maintaining an action or actions in any court of competent jurisdiction for breach of contract pursuant to California Civil Procedure Code Section 736, whether commenced prior to foreclosure of the Property or after foreclosure of the Property, and to seek the recovery of any and all costs, damages, expenses, fees, penalties, fines, judgments, indemnification payments to third parties, and other reasonable out-of-pocket costs or expenses actually incurred by Beneficiary (collectively, the "Environmental Costs") incurred or advanced by Beneficiary relating to the cleanup, remediation or other response action required by Applicable Law or to which Beneficiary reasonably believes necessary to protect the Property, it being conclusively presumed between Beneficiary and Trustor that all such Environmental Costs incurred or advanced by Beneficiary relating to the cleanup, remediation or other response action of or to the Property were made by Beneficiary in good faith. All Environmental Costs incurred by Beneficiary pursuant to this subparagraph (including without limitation court costs, reasonable consultants' fees and reasonable attorneys' fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the Default Rate (as hereinafter defined) from the date of invoice thereof until said sums have been paid. Beneficiary shall be entitled to bid, at the sale of the Property held pursuant to subparagraph (e) above, the amount of said costs, expenses and interest in addition to the amount of the other obligations hereby secured as a credit bid, the equivalent of cash. Trustor acknowledges and agrees that notwithstanding any term or provision contained herein, the Environmental Costs shall be exceptions to any non-recourse or exculpatory provision and Trustor shall be fully and personally liable for the Environmental Costs hereunder and such liability shall not be limited to the original

principal amount of the obligations secured by this Deed of Trust and Trustor's obligations shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance or any other transfer of the Property or this Deed of Trust. For the purposes of any action brought under this subparagraph, Trustor hereby waives the defense of laches and any applicable statute of limitations; and

(h) To waive its lien against the Property or any portion thereof, whether fixtures or personal property, to the extent such property is found to be environmentally impaired in accordance with California Code of Civil Procedure Section 726.5 and to exercise any and all rights and remedies of an unsecured creditor against Trustor and all of Trustor's assets and property for the recovery of any deficiency and Environmental Costs, including, but not limited to, seeking an attachment order pursuant to California Code of Civil Procedure Section 483.010. As between Beneficiary and Trustor, for purposes of California Code of Civil Procedure Section 726.5, Trustor shall have the burden of proving that Trustor or any related party (or any affiliate or agent of Trustor or any related party) was not in any way negligent in permitting the release or threatened release of the Hazardous Substance. Trustor acknowledges and agrees that notwithstanding any term or provision contained herein, to the extent permitted by law, all judgments and awards entered against Trustor shall be exceptions to any non-recourse or exculpatory provision and Trustor shall be fully and personally liable for all judgments and awards entered against Trustor hereunder and such liability shall not be limited to the original principal amount of the obligations secured by this Deed of Trust and Trustor's obligations shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance or any other transfer of the Property or this Deed of Trust. For the purposes of any action brought under this subparagraph, Trustor hereby waives the defense of laches and any applicable statute of limitations.

5.3 Payment of Costs, Expenses and Attorneys' Fees. All reasonable costs and expenses incurred by Trustee and Beneficiary pursuant to subparagraphs (a) through (h) inclusive of Section 5.2 (including without limitation court costs, reasonable consultants' fees and reasonable attorneys' fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at a rate equal to the interest rate on the Loan Repayments (the "Default Rate"), from the date of expenditure until said sums have been paid. Beneficiary shall be entitled to bid, at the sale of the Property held pursuant to subparagraph 5.2(e) above, the amount of said costs, expenses and interest in addition to the amount of the other obligations hereby secured as a credit bid, the equivalent of cash.

5.4 Remedies Cumulative. All rights and remedies of Beneficiary and Trustee hereunder are cumulative and in addition to all rights and remedies provided by law.

5.5 Releases, Extensions, Modifications and Additional Security. Without affecting the liability of any person for payment of any indebtedness secured hereby, or the lien or priority of this Deed of Trust upon the Property, Beneficiary may, from time to time, with or without notice, do one or more of the following as otherwise permitted under the Financing Documents: release any person's liability for the payment of any indebtedness secured hereby, make any agreement or take any action extending the maturity or otherwise altering the terms or increasing the amount of

any indebtedness secured hereby, and accept additional security or release all or a portion of the Property and/or other security held to secure the indebtedness secured hereby.

5.6 Marshalling. Trustor hereby waives any right to require that any security given hereunder or under any other agreement securing the obligations secured hereby be marshalled and further waives any right otherwise available in respect to marshalling of assets which secure any obligation secured or imposed hereby or to require Beneficiary to pursue its remedies against any such assets.

ARTICLE VI. SECURITY AGREEMENT AND FIXTURE FILING.

6.1 Grant of Security Interest. As additional security for the obligations secured by this Deed of Trust, Trustor hereby grants to Beneficiary a security interest in and to the following items (collectively, the “Collateral”). Trustor is sometimes referred to herein as “Debtor” and Beneficiary is sometimes referred to herein as “Secured Party.”

(a) All goods, fixtures and other equipment of every kind in which Debtor now or at any time hereafter owns or acquires any interest in connection with the Property, including, without limitation, all tools, equipment, appliances, heating, ventilating and air conditioning systems, plumbing, mechanical and electrical systems, elevators, lighting, alarm systems, fire control systems, carpets and carpeting, furnishings, furniture, trailers, mobile homes, service equipment, building or maintenance equipment, and all additions and accessions thereto, whether located at the Property, Debtor’s places of business or elsewhere;

(b) All inventory and tangible assets used or consumed in connection with the Property in which Debtor now or at any time hereafter owns or acquires any interest, and all products thereof, whether in the possession of Debtor, warehousemen, bailees or any other person and to the extent now or hereafter located at the Property;

(c) All goods and property covered by any warehouse receipts, bills of lading and other documents evidencing any goods or other tangible personal property of any kind in which Debtor now or at any time hereafter has any interest in connection with the Property or Collateral;

(d) All goods and other tangible personal property of every kind, character or nature in which Debtor now has or at any time hereafter shall have any interest, located on or used in the operation, use, maintenance, development or construction of or otherwise in connection with the Property or Collateral, including, without limitation, any equipment, inventory and other goods and assets which are now or hereafter acquired with loan proceeds or acquired pursuant to or in connection with any lease or other contract pertaining to any use of the Property;

(e) All general intangibles, accounts, agreements, contracts, documents and leases of any kind or nature in which Debtor now or at any time hereafter has an interest related to the Property or the use, operation or maintenance of the Property or any part thereof, and all amendments, supplements, substitutions and renewals thereof, including without limitation all contract rights of Debtor in leases, warranties, letters of credit,

construction contracts, permits, licenses, approvals, governmental authorizations, consulting contracts, bonds, plans and specifications, architectural and engineering drawings, fire insurance policies and other insurance policies, condemnation awards and settlements, copyrights, trademarks, trade names, goodwill, and accounts receivable;

(f) All profits, payments or proceeds of and from any and all agreements for the sale, lease, transfer or conveyance of all or any portion of the Property, subject to the rights of Debtor to collect and retain the same so long as no Event of Default shall have occurred and is continuing; and

(g) Any and all products, accessions, additions, substitutions, replacements or proceeds of or to any of the Collateral which may now or hereafter exist, and any and all rent or income derived from any or all of the Collateral, subject to the rights of Debtor to collect and retain the same so long as no Event of Default shall have occurred and is continuing.

6.2 Remedies. Upon an Event of Default, Beneficiary is and shall be entitled to all the rights, powers and remedies granted a secured party under the California Uniform Commercial Code and other applicable law, including, but not limited to, the right to take possession of all such Collateral. Beneficiary or its representatives may enter upon the Property (without Beneficiary being deemed to be taking possession of the Property or being deemed a mortgagee-in-possession) at any time to inspect, repair, assemble, have appraised or to remove the Collateral and may advertise and conduct public auctions and private sales thereon. Beneficiary may require Trustor to assemble the Collateral and make it available to Beneficiary at a place to be designated by Beneficiary which is reasonably convenient to both parties. In addition to the expenses of retaking, holding, preparing for sale, selling and otherwise exercising its remedies hereunder, Beneficiary shall be entitled to recover reasonable attorneys' fees and legal expenses before applying the balance of the proceeds from the sale or other disposition of the Collateral towards satisfaction of the obligations secured hereby. Trustor shall remain liable for any deficiency remaining after such sale or other disposition.

With respect to fixtures, Beneficiary or Trustee may elect to treat same as either real property or personal property and proceed to exercise such rights and remedies applicable to the categorization so chosen. Beneficiary may proceed against the items of real property and any items of Collateral separately or together in any order whatsoever, without in any way affecting or waiving Beneficiary's rights and remedies under the California Uniform Commercial Code or its rights and remedies provided under this Deed of Trust.

6.3 Fixture Filing. Trustor agrees that this Deed of Trust constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder where the Property is located with respect to any and all fixtures included within the term "Property" as used herein and with respect to any goods and other personal property that may now be or hereafter become fixtures. The names and mailing addresses of the debtor (Trustor) and the secured party (Beneficiary) are set forth below in Section 7.12 of this Deed of Trust. Trustor is, or is one of, the record owners of the Property. Any reproduction of this Deed of Trust or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Trustor agrees to execute and deliver to Beneficiary, upon Beneficiary's request, any financing

statements, as well as extensions, renewals, and amendments thereof, and reproductions of this Deed of Trust in such form as Beneficiary may require to perfect a security interest with respect to such Collateral. Trustor shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Beneficiary may reasonably require.

6.4 Limitations. Except as otherwise clearly and expressly provided in the Borrower Documents, the Master Indenture, the Limited Offering Memorandum or this Deed of Trust: (i) Beneficiary has not consented to any other security interest of any other person in any Collateral and has not disclaimed any interest in any Collateral; and (ii) Beneficiary has not agreed or consented to the removal of any Collateral from the Property, and such consent by Trustor shall not be binding on Beneficiary.

6.5 Removal. Notwithstanding any other provision of this Deed of Trust or any other agreement or contract between Trustor and Beneficiary to the contrary, Trustor shall not, without the prior written consent of Beneficiary, remove or permit the removal of any fixture from the Property with a replacement cost in excess of Twenty Thousand Dollars (\$20,000) for any one item or One Hundred Thousand Dollars (\$100,000) in the aggregate of all such fixtures removed from the date of such completion until the date this Deed of Trust is reconveyed, except for fixtures removed and replaced in the ordinary course of business. Beneficiary further reserves the right to prohibit the removal of any such fixture by any person with the legal right to remove any fixture from the Property unless and until such person makes arrangements with (and satisfactory to) Beneficiary for the payment to Beneficiary of all costs of repairing any physical injury to the Property which may be caused by the removal of that fixture.

ARTICLE VII. MISCELLANEOUS PROVISIONS.

7.1 Non-Waiver. By accepting payment of any sum secured hereby after its due date or late performance of any obligation secured hereby, Beneficiary shall not waive its right against any person obligated directly or indirectly hereunder or on any obligation hereby secured, either to require prompt payment or performance when due of all other sums and obligations so secured or to declare default for failure to make such prompt payment or performance. No exercise of any right or remedy by Beneficiary or Trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law.

7.2 Further Assurances. Trustor shall, upon demand by Beneficiary or Trustee, execute, acknowledge (if appropriate) and deliver any and all documents and instruments and do or cause to be done all further acts reasonably necessary or appropriate to effectuate the provisions hereof.

7.3 Statements of Condition. From time to time as required by law, Beneficiary shall furnish to Trustor such statement as may be required concerning the condition of the obligations secured hereby. Upon demand by Beneficiary, Trustor covenants and agrees to pay Beneficiary's reasonable costs incurred in furnishing such statement, but not in excess of the maximum amount allowed by law.

7.4 Usury Savings Clause. Nothing contained herein or in the Financing Documents shall be deemed to require the payment of interest or other charges by Trustor in excess of the amounts that may be lawfully charged to the Trustor pursuant to the Financing Documents or under the applicable usury laws. In the event Beneficiary shall collect monies which are deemed to constitute interest which would increase the effective interest rate to a rate in excess of that permitted to be charged by applicable law, all such sums deemed to constitute interest in excess of the legal rate shall, upon such determination, at the option of Beneficiary, be returned to Trustor or credited against the principal balance of any obligation secured hereby then outstanding.

7.5 Attorneys' Fees. In the event legal action, suit or any proceeding is commenced between Trustor and Trustee or Beneficiary regarding their respective rights and obligations under this Deed of Trust or any of the other Financing Documents, the prevailing party shall be entitled to recover, in addition to damages or other relief, costs and expenses, attorneys' fees and court costs. As used herein the term "prevailing party" shall mean the party which obtains the principal relief it has sought, whether by compromise settlement or judgment. If the party which shall have commenced or instituted the action, suit or proceeding shall dismiss or discontinue it without the concurrence of the other party, such other party shall be deemed the prevailing party.

7.6 Waiver of Personal Liability. No officer, agent, director or employee of the Trustor shall be individually or personally liable for payment of any principal (or Redemption Price) and interest on the Related Bonds or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of the Deed of Trust; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or specifically provided by this Deed of Trust.

7.7 Trustor and Beneficiary Defined. The term "Trustor" herein includes both the original Trustor and any subsequent owner or owners of any of the Property, and the term "Beneficiary" includes the original Beneficiary and also any subsequent duly appointed beneficiary, and each of their successors.

7.8 No Joint Venture. The relationship of Trustor and Beneficiary under this Deed of Trust and the Loan Agreement is, and shall at all times remain, solely that of borrower and lender; and Beneficiary neither undertakes nor assumes any responsibility or duty to Trustor or to any third party with respect to the Property. Notwithstanding any other provisions of this Deed of Trust and the Financing Documents: (a) Beneficiary and Authority are not, and shall not be construed as, a partner, joint venturer, alter-ego, manager, controlling person or other business associate or participant of any kind of Trustor and Beneficiary and Authority do not intend to ever assume such status; (b) the activities of Beneficiary and Authority in connection with this Deed of Trust and the Financing Documents shall not be "outside the scope of the activities of a lender of money" within the meaning of California Civil Code Section 3434, as amended or recodified from time to time, and Beneficiary and Authority do not intend to ever assume any responsibility to any person for the quality, suitability, safety or condition of the Property; and (c) Beneficiary and Authority shall not be deemed responsible for or a participant in any acts, omissions or decisions of Trustor. The Beneficiary and Authority shall not be directly or indirectly liable or responsible for any loss, claim, cause of action, liability, indebtedness, damage or injury of any kind or character to any person or property arising from any construction on, or occupancy or use of, any of the Property, whether caused by or arising from: (i) any defect in any building, structure,

grading, fill, landscaping or other improvements thereon or in any on-site or off-site improvement or other facility therein or thereon; (ii) any act or omission of Trustor or any of Trustor's agents, employees, independent contractors, licensees or invitees; (iii) any accident in or on any of the Property or any fire, flood or other casualty or hazard thereon; (iv) the failure of Trustor, any of Trustor's licensees, employees, invitees, agents, independent contractors or other representatives to maintain the Property in a safe condition; and (v) any nuisance made or suffered on any part of the Property.

7.9 Rules of Construction. When the identity of the parties hereto or other circumstances make it appropriate the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. Specific enumeration of rights, powers and remedies of Trustee and Beneficiary and of acts which they may do and acts Trustor must or must not do shall not exclude or limit the general. The headings of each paragraph are for information and convenience and do not limit or construe the contents of any provision hereof.

7.10 Severability. If any term of this Deed of Trust, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Deed of Trust, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Deed of Trust shall be valid and enforceable to the fullest extent permitted by law.

7.11 Successors in Interest. The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto.

7.12 Notices. All notices, demands or documents which are required or permitted to be given or served hereunder shall be in writing and sent by hand delivery, recognized overnight courier, registered or certified mail addressed as follows:

To TRUSTOR at: [Landlord]
c/o Grupo Nuevo Los Angeles
3435 W. Temple Street
Los Angeles, CA 90026
Attention: Executive Director

To MASTER TRUSTEE at: U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Corporate Trust Department

The addresses may be changed from time to time by any party by serving notice as heretofore provided. Service of such notice or demand shall be deemed complete on the date of actual delivery as shown by the addressee's registry or certification receipt or at the expiration of the second day after the date of mailing, whichever is earlier in time.

7.13 No Merger. The parties' rights, obligations and interests in land created by or arising under the Financing Documents are separate, cumulative, and independent and there shall be no merger of any such rights, obligations or interests.

7.14 Beneficiary's Right to Perform. If Trustor fails to make any payment or perform any act required by this Deed of Trust or by any junior, subordinated or senior deed of trust or other lien on the Property (without hereby implying the Beneficiary's consent to any such lien or encumbrance), then, at any time thereafter (but subject to any grace period or cure period and notice requirements under the Financing Documents), and without waiving or releasing any obligation or default, Beneficiary may make such payment or perform such act for the account and at the expense of Trustor and shall have the right to enter the Property for such purpose and to take all such action thereon and with respect to the Property as may be necessary or appropriate for such purpose. Notwithstanding anything to the contrary in this Deed of Trust, Beneficiary shall have no obligation to do anything set out in this Section 7.14. Beneficiary shall be entitled to interest on all sums so paid by Beneficiary and all costs and expenses so incurred from the date paid by Beneficiary until reimbursed in full by Trustor at the Default Rate. All sums so paid by Beneficiary, all costs and expenses so incurred and interest thereon shall be paid by Trustor to Beneficiary on demand. If Beneficiary shall elect to pay any tax, assessment, levy or charge mentioned in Section 4.2 of this Deed of Trust, Beneficiary may do so in reliance on any bill, statement or assessment procured from the appropriate public or nonpublic office, without inquiring into the accuracy thereof or into the validity of such tax, assessment, levy or charge. Similarly, in making any payments to protect the security interests intended to be created by this Deed of Trust, Beneficiary shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same.

7.15 Amendments; Releases or Reconveyances. This Deed of Trust may be amended, changed, modified or terminated at any time, without the necessity of obtaining the consent of the Master Trustee or the holders of the Related Bonds, subject to the conditions and as provided in Section 3.04(b) of the Master Indenture.

In addition, if, from time to time, the Trustor withdraws from the Obligated Group (as defined in the Master Indenture) in accordance with Section 3.12 of the Master Indenture or any other condition of Section 3.04(e) of the Master Indenture is satisfied, then, upon request of the Trustor, Beneficiary shall direct Trustee to issue a partial reconveyance of the Deed of Trust with respect to such portion of the Property as permitted by the Master Indenture.

Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any property not then or theretofore released as security for the full amount of all unpaid obligations, the Trustee may from time to time, and with notice to the Trustor, release any person other than the Trustor so liable, extend the maturity or alter any of the terms of any such obligation, or grant other indulgences, release or reconvey, or cause to be released or reconveyed, any portion or all of the Property, release any other or additional security for any obligation herein mentioned, or make compositions or other arrangements with debtors in relation thereto; and if the Trustee at any time holds any additional security for any obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same at its option, either before or concurrently herewith or after a sale is made hereunder.

7.16 Headings. The headings of the articles of this Deed of Trust are for convenience only and do not limit its provisions.

7.17 Master Trustee and Trustee. To the extent Beneficiary is the Master Trustee, all provisions of the Master Indenture relating to the rights, powers, privileges and protections of the Master Trustee thereunder shall apply with equal force and effect to all actions taken by the Master Trustee as Beneficiary in connection with this Deed of Trust.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust on the day and year set forth above.

TRUSTOR PLEASE NOTE: IN THE EVENT OF YOUR DEFAULT, CALIFORNIA PROCEDURE PERMITS THE TRUSTEE TO SELL THE SUBJECT PROPERTY AT A SALE HELD WITHOUT SUPERVISION BY ANY COURT AFTER EXPIRATION OF A PERIOD PRESCRIBED BY LAW. SEE SECTION 5.2.(e) ABOVE FOR A DESCRIPTION OF THIS PROCEDURE. UNLESS YOU PROVIDE AN ADDRESS FOR THE GIVING OF NOTICE, YOU MAY NOT BE ENTITLED TO OTHER NOTICE OF THE COMMENCEMENT OF SALE PROCEEDINGS. BY EXECUTION OF THIS DEED OF TRUST, YOU CONSENT TO SUCH PROCEDURE. IF YOU HAVE ANY QUESTIONS CONCERNING IT, YOU SHOULD CONSULT YOUR LEGAL ADVISOR. BENEFICIARY URGES YOU TO GIVE IT PROMPT NOTICE OF ANY CHANGE IN YOUR ADDRESS SO THAT YOU MAY RECEIVE PROMPTLY ANY NOTICE GIVEN PURSUANT TO THIS DEED OF TRUST.

TRUSTOR:

[LANDLORD],
a California limited liability company

By:_____

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

[To be attached]

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 _____)

On _____ before me, _____,
(insert name and title of the officer)

personally _____ appeared

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT F

[FORM OF REQUISITION FROM THE WORKING CAPITAL FUND]

[To be determined]