

LOAN AGREEMENT

by and between

INDEPENDENT CITIES FINANCE AUTHORITY,
as Issuer

and

[ALLIANCE HS 18 SPE],
as Borrower

[\$10,750,000]
Independent Cities Finance Authority
Charter School Revenue Bonds
(Alliance Bloomfield Technology Academy Project)
Series 2013A
(Taxable Qualified School Construction Bonds - Direct Subsidy)

Dated as of April 1, 2013

Pursuant to the Indenture (defined herein), the Authority has transferred into Trust, granted a security interest in and assigned to the Trustee for the benefit of the Bondholders, all right, title, and interest of the Authority in this Loan Agreement, except for any deposits to the Rebate Fund, and except for the Authority's Unassigned Rights (as defined in the Indenture).

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS	2
ARTICLE II REPRESENTATIONS	10
Section 2.1 Representations by the Authority.....	10
Section 2.2 Representations by the Borrower.....	11
Section 2.3 Borrower’s Tax Covenants	15
Section 2.4 Covenant to Comply with Charter School Laws and Charter Contract.....	19
Section 2.5 Representations by Borrower to Provide Ongoing Disclosure	19
Section 2.6 [Reserved].....	19
Section 2.7 Environmental Representations	19
ARTICLE III TERM OF THE AGREEMENT	20
ARTICLE IV THE PROJECT; ISSUANCE OF THE BONDS.....	21
Section 4.1 Agreement to Issue Series 2013 Bonds; Application of Bond Proceeds and Other Moneys	21
Section 4.2 Disbursements from the Project Fund.....	21
Section 4.3 Reserved.....	22
Section 4.4 Disbursements from the Cost of Issuance Fund	22
Section 4.5 Disbursements from Tax and Insurance Escrow Fund	23
Section 4.6 Obligation of the Borrower to Furnish Documents to Trustee	23
Section 4.7 Investment of Moneys.....	23
Section 4.8 Tax Covenants	24
Section 4.9 Title Insurance	25
ARTICLE V PAYMENT PROVISIONS.....	25
Section 5.1 Loan Payments and Other Amounts Payable.....	25
Section 5.2 Pledge By Borrower.....	28
Section 5.3 Payees of Payments.....	28
Section 5.4 Obligations of Borrower Hereunder Unconditional	28
Section 5.5 Default Interest Reserve.....	29
Section 5.6 Guaranty.....	29
ARTICLE VI MAINTENANCE, TAXES AND INSURANCE.....	29
Section 6.1 Maintenance and Modifications of Facilities by Borrower	29
Section 6.2 Taxes, Other Governmental Charges and Utility Charges.....	30
Section 6.3 Insurance Required; Insurance Company Ratings; Insurance Certificate to be Delivered to Trustee	31
Section 6.4 Application of Net Proceeds of Insurance	33
Section 6.5 Advances by Authority or Trustee.....	33

Section 6.6	Environmental Indemnity	34
Section 6.7	Environmental Covenants	35
Section 6.8	Additional Environmental Provisions	37
ARTICLE VII DAMAGE, DESTRUCTION AND CONDEMNATION		39
Section 7.1	Damage, Destruction and Condemnation	39
Section 7.2	Mandatory Prepayment from Insurance or Condemnation Proceeds	41
Section 7.3	[Reserved]	42
Section 7.4	No Change in Loan Payments; No Liens	42
Section 7.5	Investment of Net Proceeds	42
ARTICLE VIII SPECIAL COVENANTS		42
Section 8.1	No Warranty of Condition or Suitability by the Authority	42
Section 8.2	Consolidation, Merger, Sale or Conveyance	42
Section 8.3	Further Assurances	43
Section 8.4	Audits	43
Section 8.5	Financial Statements; Reports; Annual Certificate	44
Section 8.6	Release and Indemnification Covenants	45
Section 8.7	Authority of Authorized Representative of the Borrower	46
Section 8.8	Authority of Authorized Representative of the Authority	47
Section 8.9	Licenses and Qualifications	47
Section 8.10	Right to Inspect	47
Section 8.11	Nonsectarian Use	47
Section 8.12	Limitations on Incurrence of Long-Term Indebtedness	48
Section 8.13	Repair and Replacement Fund Deposits	48
Section 8.14	Advance Refundings	48
Section 8.15	Compliance Notice	49
Section 8.16	Financial Statements and Reports of the Lessee	49
Section 8.17	Financial Covenants	51
ARTICLE IX ASSIGNMENT AND PLEDGING; REDEMPTION OF BONDS		53
Section 9.1	Creation of Security Interest Hereunder	53
Section 9.2	Assignment and Pledge by Authority	54
Section 9.3	Redemption of Bonds	54
Section 9.4	Acknowledgement of the Lease	54
Section 9.5	Assignment of the Lease	54
ARTICLE X EVENTS OF DEFAULT AND REMEDIES		54
Section 10.1	Events of Default Defined	54
Section 10.2	Remedies on Default	57
Section 10.3	No Remedy Exclusive	58
Section 10.4	Agreement to Pay Attorneys' Fees and Expenses	58
Section 10.5	Waiver	59
Section 10.6	Proofs of Claim	59

Section 10.7	Treatment of Funds in Bankruptcy	60
ARTICLE XI PREPAYMENT OF THE LOAN		60
Section 11.1	General Option to Prepay the Loan	60
Section 11.2	Notice of Prepayment	61
Section 11.3	Use of Prepayment Moneys	61
ARTICLE XII MISCELLANEOUS		61
Section 12.1	Notices	61
Section 12.2	Binding Effect	62
Section 12.3	Severability	62
Section 12.4	Third Party Beneficiaries	62
Section 12.5	Amounts Remaining in Funds	62
Section 12.6	Amendments, Changes and Modifications	63
Section 12.7	Execution in Counterparts	63
Section 12.8	Governing Law	63
Section 12.9	Filing	63
Section 12.10	Cancellation at Expiration of Term of Agreement	63
Section 12.11	No Pecuniary Liability of Authority	63
Section 12.12	No Personal Liability of Officials of the Borrower, Authority or the Trustee	64
Section 12.13	Special Limited Obligation of Authority	64
Section 12.14	No Warranty by Authority	66
Section 12.15	Prior Agreements Superseded	66
Section 12.16	Covenant by the Borrower with Respect to Statements, Representations and Warranties	66
Section 12.17	Captions	66
Section 12.18	Payments Due on Holidays	67
Section 12.19	Provision of General Application	67
Section 12.20	Survival	67
Section 12.21	Notice of Change in Fact	67
EXHIBIT A	LEGAL DESCRIPTION OF LAND	A-1
EXHIBIT B	FORM OF PROJECT FUND REQUISITION CERTIFICATE	B-1
EXHIBIT C	FORM OF SERIES 2013 PROMISSORY NOTE	C-1
EXHIBIT D	BORROWER'S CERTIFICATE OF CONTINUING COMPLIANCE	D-1
EXHIBIT E	MONTHLY PAYMENT SCHEDULE	E-1
EXHIBIT F	TAX AND INSURANCE ESCROW FUND REQUISITION	F-1

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of April 1, 2013 (this “Agreement”), is between the INDEPENDENT CITIES FINANCE AUTHORITY (the “Authority”), a joint powers authority organized and existing under the laws of the State of California (the “State”) and [Alliance HS 18 SPE], (the “Borrower” or “Lessor”), a California limited liability company.

WITNESSETH:

WHEREAS, the Authority is authorized pursuant to Chapter 5 of Division 7 of the Government Code of the State of California (the “Act”) to issue bonds that are in the public interest for the purpose of making a loan to a public or private entity for use by such entity to finance the acquisition, construction or rehabilitation of buildings, structures, property and equipment owned, or to be acquired by, a charter school for any of its educational purposes and that benefits the Authority’s members or associate members;

WHEREAS, the Borrower is a limited liability company organized for nonprofit purposes under the laws of the State and has requested that the Authority issue its bonds and loan the proceeds thereof to the Borrower to (i) facilitate the financing of the costs of acquiring, constructing, improving and furnishing charter school facilities and the related site located at approximately 7907 Santa Fe Avenue in Los Angeles County, California (the “Series 2013 Facilities”) for lease to the Lessee (as hereinafter defined), (ii) [pay capitalized interest during construction], and (iii) pay certain issuance expenses (collectively, the “Series 2013 Project”); and

WHEREAS, in order to finance the cost of the Series 2013 Project, the Authority has agreed to issue its \$[10,750,000] Charter School Revenue Bonds (Alliance Bloomfield Technology Academy Project) Series 2013 (Taxable Qualified School Construction Bonds - Direct Subsidy) (the “Series 2013 Bonds”) pursuant to and secured by the Indenture; and

WHEREAS, under the Lease Agreement, the Lessor, as owner of the Series 2013 Facilities, will lease the Series 2013 Facilities to Alliance Bloomfield Technology Academy, (the “Lessee”), authorized to do business as a charter school in the State pursuant to Title 2, Division 4, Part 26.8 of the California Education Code, Charter Schools Act of 1992, as amended (the “Charter School Law”); and

WHEREAS, under the Guaranty, the Lessee has agreed to guaranty certain obligations of the Borrower hereunder; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS

All terms defined in Article I to the Indenture shall have the same meaning in this Agreement. In addition, the following terms, except where the context indicates otherwise, shall have the respective meanings set forth below:

“Accountant” means any independent certified public accounting firm licensed to practice in the State (which may be the firm of accountants that regularly audits the books and accounts of the Borrower) from time to time selected by the Borrower.

“Accountant’s Certificate” means a report, certificate or opinion by the Accountant.

“Annual Debt Service Requirements” of any specified Person means, for any Fiscal Year, the principal of (and premium, if any) and interest and other debt service charges (which include for purposes hereof, any fees or premiums for any letter of credit, surety bond, policy of insurance, bond purchase agreement, or any similar credit or liquidity support secured in connection therewith payable in such Fiscal Year) on all Long-Term Indebtedness of such Person coming due at maturity or stated maturity, and, for such purposes, any one or more of the following rules shall apply:

(a) If such Person has received a binding commitment, within normal commercial practice, from any bank, savings and loan association, insurance company, or similar institution to refund or purchase any of its Long-Term Indebtedness at its maturity (or, if due on demand, or payable in respect of any required purchase of such debt by such Person, at any date on which demand may be made), then the portion of the Long-Term Indebtedness committed to be refunded or purchased shall be excluded from such calculation and the principal of (and premium, if any) and interest on the Long-Term Indebtedness incurred for such refunding or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the maturity or purchase date of the Long-Term Indebtedness to be refunded or purchased, shall be added;

(b) In the case of Balloon Debt, if the Person obligated thereon shall deliver to the Trustee a certificate of a nationally recognized firm of investment bankers or financial consultants dated within 90 days prior to the date of delivery of such certificate to the Trustee stating that financing at a stated interest rate (which shall not be less than the *Bond Buyer* Revenue Bond Index or, if the *Bond Buyer* Revenue Bond Index is unavailable, a comparable index chosen by the Borrower) with a stated maturity not greater than 30 years is reasonably attainable (and such opinion is reasonably acceptable to the Trustee) on the date of such certificate to refund any of such Balloon Debt, then for the purpose of calculating what future annual debt service requirements will be, any installment of principal of (and premium, if any) and interest and other debt service charges on such Balloon Debt that could so be refunded shall be excluded from such calculation and the principal plus interest of the refunding debt shall be evenly allocated over

the life of the refunding debt with equal principal payments plus interest deemed due each year;

(c) Principal of (and premium, if any) and interest and other debt service charges on Indebtedness, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal, premium, interest, or other debt service charges are payable from funds irrevocably deposited or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust or escrowed with the Trustee);

(d) As to any Indebtedness that bears interest at a variable interest rate which cannot be ascertained at the time of calculation, an interest rate equal to the lesser of an annual interest rate equal to the *Bond Buyer* Revenue Bond Index (or, if the *Bond Buyer* Revenue Bond Index is unavailable, a comparable index chosen by the Borrower) and the weighted average rate of interest born by such Indebtedness (or other indebtedness of comparable credit quality, maturity and purchase terms in the event that such debt was not outstanding) during the preceding Fiscal Year (or any period of comparable length ending within 180 days) prior to the date of calculation shall be presumed to apply for all future dates and the principal shall be amortized on a level debt service basis over the life of the Indebtedness but solely for the purpose of spreading the principal requirements for calculation of coverage;

(e) In the case of any guarantees or other Indebtedness described in subparagraph (c) of the definition of Indebtedness, the principal of (and premium, if any) and interest and other debt service charges on such Indebtedness for any Fiscal Year shall be deemed to be 25% of the principal of (and premium, if any) and interest and other debt service charges on the indebtedness guaranteed due in such Fiscal Year; *provided, however*, that if the Borrower is actually required to make any payment in respect of such Indebtedness, the total amount payable by the Borrower in respect of such guarantee or other obligation in such Fiscal Year shall be included in any computation of the Annual Debt Service Requirements of the Borrower for such year and the amount payable by the Borrower in respect of such guarantee or other obligation in any future Fiscal Year shall be included in any computation of the estimated Annual Debt Service Requirements for such Fiscal Year; and

(f) In the event a Financial Products Agreement shall have been issued or entered into in respect of all or a portion of any Long-Term Indebtedness, interest on such Long-Term Indebtedness shall be included in the calculation of Annual Debt Service Requirements by including for such period an amount equal to the amount payable on such Long-Term Indebtedness in such period at the rate or rates stated in such Long-Term Indebtedness plus any payments payable by the Borrower in respect of such Financial Products Agreement minus any payments receivable by the Borrower in respect of such Financial Products Agreement.

“Balloon Debt” means Long-Term Indebtedness where the principal of (and premium, if any) and interest and other debt service charges on such Long-Term Indebtedness due (or payable in respect of any required purchase of such Indebtedness by such Person on demand) in any Fiscal Year either are equal to at least 25% of the total principal of (any premium, if any) and interest and other debt service charges on such Long-Term Indebtedness or exceed by more than 50% the greatest amount of principal of (and premium, if any) and interest and other debt service charges on such Long-Term Indebtedness due in any preceding or succeeding Fiscal Year.

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

“Cash Flow” means net cash flow from operations, as set forth in the statement of cash flows contained in the annual audited financial statements of the Guarantor. The foregoing covenant shall be calculated on a rolling three (3) year basis, using the results of the then-ended fiscal year of Guarantor and each of the two (2) immediately preceding fiscal years.

“Charter Contract” means the charter petition submitted by the Lessee to the Authorizer, as revised and accepted by the Authorizer, together with any subsequent applications to modify or renew the Charter Contract.

“Current Ratio” means, for the applicable period, the relationship, expressed as a numerical ratio, between: (i) the current assets of the Guarantor, divided by (ii) the current liabilities (i.e. those liabilities of the Guarantor due within twelve (12) months of the most recent fiscal year end).

“Debt to Net Worth Ratio” means the total liabilities of the Guarantor (including total indebtedness) divided by total unrestricted net assets of the Guarantor.

“Dissemination Agent” means Zions First National Bank, [CITY, STATE], and its successors and assigns or any successor Dissemination Agent appointed by the Borrower pursuant to the provisions of a continuing disclosure agreement, as may be required in connection with the issuance of Additional Bonds.

“Environmental Damages” means all claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability), encumbrances, Liens, privileges, costs, and expenses of investigation and defense of any claim, whether or not such claim is ultimately defeated, and of any good faith settlement or judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, including without limitation reasonable attorneys’ fees and expert consultants’ fees and disbursements, any of which are incurred at any time as a result of the existence of Regulated Chemicals upon, about, beneath or migrating, or threatening to migrate, onto or from the Facilities, or the existence of a violation of Environmental Requirements pertaining to the Facilities, regardless of whether or not such Environmental Damages were caused by or within the control of the Borrower.

“Environmental Law” means the Comprehensive Environmental Response, Compensation and Liability Act of 1976, 42 U.S.C. §§ 6901 et seq., Comprehensive

Environmental Response, Compensation and Liability Act of 1980, as amended by SARA, 42 U.S.C. §§ 1820 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1810 et seq., the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §§ 9601 et seq., the Clean Water Act, 33 U.S.C. §§ 1251 et seq. and the Clean Air Act, 42 U.S.C. §§ 7412 et seq., and any other applicable federal or state laws pertaining to the protection of the environment, as any such laws may be amended, modified or supplemented and any regulations promulgated pursuant to any of the foregoing.

“Environmental Report” means any Environmental Assessment Tests (each as defined in Section 6.8 herein), or other environmental report or audit conducted at the Facilities for any reason.

“Environmental Requirements” means all applicable federal, State, regional or local laws, statutes, rules, regulations or ordinances, concerning public health, safety or the environment, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601, et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Solid and Hazardous Waste Amendments of 1984, 42 U.S.C. §§ 6901, et seq., the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251, et seq., the Toxic Substances Control Act of 1976, 15 U.S.C. §§ 2601, et seq., the Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. §§ 11001, et seq., the Clean Air Act of 1966, as amended, 42 U.S.C. §§ 7401, et seq., the National Environmental Policy Act of 1975, 42 U.S.C. § 4321, the Rivers and Harbors Act of 1899, 33 U.S.C. §§ 401 et seq., the Endangered Species Act of 1973, as amended 16 U.S.C. §§ 1531, et seq., the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651, et seq., the Safe Drinking Water Act of 1974, as amended 42 U.S.C. §§ 300(f), et seq., and all rules, regulations, policies and guidance documents promulgated or published thereunder, and any State, regional or local statute, law, rule, regulation or ordinance relating to public health, safety or the environment, including, without limitation those relating to:

(a) releases, discharges, emissions or disposals to air, water, land or groundwater;

(b) the withdrawal or use of groundwater;

(c) the use, handling, or disposal of polychlorinated biphenyls (“PCBs”), asbestos or urea formaldehyde;

(d) the transportation, treatment, storage, disposal, release or management of hazardous substances or materials (including, without limitation, petroleum, its derivatives, by-products or other hydrocarbons), and any other solid, liquid, or gaseous substance, exposure to which is prohibited, limited or regulated, or may or could pose a hazard to the health and safety of the occupants of the Facilities or any property adjacent to or surrounding the Facilities;

(e) the exposure of persons to toxic, hazardous, or other controlled, prohibited or regulated substances; and

(f) any Regulated Chemical.

“Event of Default” means those defaults specified in Section 10.1 hereof and in Section 8.1 of the Indenture.

“Excess Net Revenues” means Net Income Available for Debt Service less Annual Debt Service Requirements of the Borrower.

“Exempt Person” means any organization described in Section 501(c)(3) of the Code and exempt from tax under Section 501(a) of the Code, the District of Columbia, any state of the United States of America, any possession of the United States of America and any political subdivision of any such State or possession if such political subdivision has more than an insubstantial amount of any of the power to tax, the power of eminent domain or the police power.

“Financial Products Agreement” means any type of financial management instrument or contract, which shall include, but not be limited to, (a) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract; (b) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (c) any contract to exchange cash flows or payments or a series of payments; (d) any type of contract called, or designed to perform the function of, interest rate floors or caps, options, puts or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk forward supply agreements; and (e) any other type of contract or arrangement that the governing body of the Borrower determines is to be used, or is intended to be used, to manage or reduce the cost of debt (including but not limited to a bond insurance policy), to convert any element of debt from one form to another, to maximize or increase investment return, to minimize investment return risk or to protect against any type of financial risk or uncertainty.

“Gross Proceeds” has the meaning set forth in Section 1.148-l(b) of the Treasury Regulations.

“Guarantor” means [Alliance for College Ready Public Schools], a California nonprofit public benefic corporation.

“Hazardous Material” means: (a) any substances defined as “hazardous substances,” “pollutants,” “contaminants,” “hazardous materials,” “hazardous wastes,” or “hazardous or toxic substances” or related materials as now or hereafter defined in any Environmental Law; (b) those substances listed or otherwise identified as substances of the type referred to in the preceding subsection (a) in the regulations adopted and publications issued pursuant to any Environmental Law, as the same may be amended, modified or supplemented; (c) any friable asbestos, airborne asbestos in excess of that generally found in the atmosphere, respectively, where the Facilities are located, or any

substance or material containing asbestos, excluding any such materials located on the Facilities prior to the date hereof so long as such materials are contained, maintained, abated or removed in compliance with all applicable Environmental Laws; and (d) any substance the presence of which on the Facilities is prohibited by any applicable Environmental Law; provided that Hazardous Material shall not include any such substances used in or resulting from the ordinary operation of the Facilities or for the cleaning of the Facilities, provided that such substances are stored, handled and disposed of in compliance with all applicable Environmental Laws and other applicable laws and regulations.

“Indenture” means the Trust Indenture, dated as of April 1, 2013, between the Authority and the Trustee, including any indentures supplemental thereto made in conformity therewith, pursuant to which the Bonds are authorized to be issued and secured.

“Independent” when used with respect to any specified Person means such a Person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the Borrower, and (iii) is not connected with the Borrower as an officer, employee, promoter, member of the board of trustees or directors, partner or person performing similar functions. Whenever it is provided that any Independent Person’s opinion or certificate shall be furnished to the Trustee, such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

“Investment” has the meaning set forth in Section 1.148-l(b) of the Treasury Regulations.

“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 specified portion of the principal of, premium, if any, and/or the interest on, as the same shall become due, any Indebtedness which would otherwise be considered Outstanding. The trustee of such deposit shall have possession of any cash and securities (other than book-entry securities) and may be the Trustee or any other trustee authorized to act in such capacity.

“Issue Price” means the par amount of the Bonds plus original issue premium, if any, less original issue discount, if any.

“Lease Coverage Ratio” shall be calculated by dividing, for the Lessee (i) Earnings Before Interest, Taxes, Depreciation, Amortization and Rent (“EBITDAR”) plus Management Fees due to an affiliate of the Lessee for such Fiscal Year, by (ii) the sum of interest expense for the current period, lease obligations for the current period, and that portion of long-term debt that must be paid within the next year.

“Liabilities” means any causes of action (whether in contract, tort or otherwise), claims, costs, damages, demands, judgments, liabilities, losses, suits and expenses

(including, without limitation, reasonable costs of investigation, and attorney's fees and expenses) of every kind, character and nature whatsoever.

"Lien" means any mortgage or pledge of, security interest in, or lien or encumbrance on, any property which secures any Indebtedness or other obligation of the Borrower or which secures any obligation of any Person other than an obligation to the Borrower excluding liens applicable to property in which the Borrower has only a leasehold interest unless the lien secures Indebtedness.

"Loan" means the loan by the Authority to the Borrower of the proceeds from the sale of the Bonds pursuant to this Agreement.

"Loan Payment(s)" means those payments required to be paid by the Borrower pursuant to Section 5.1 hereof.

"Management Consultant" means a firm of Independent professional management consultants, an Independent school management organization or an Independent financial advisor, knowledgeable in the operation of public or private schools and having a favorable reputation for skill and experience in the field of public or private school management consultation.

"Permitted Encumbrance" means any of the following:

- (a) Liens for taxes and special assessments on the Project not then delinquent;
- (b) the Mortgage;
- (c) purchase money security interests with respect to any item of equipment related to the Project;
- (d) utility, access, and other easements and rights-of-way, mineral rights and reservations, restrictions and exceptions which would not in the aggregate (i) materially interfere with or impair any present use of the Project or any reasonably probable future use of the Project, or (ii) materially reduce the value which would be reasonably expected to be received for the Project upon any sale (including any foreclosure of the mortgage granted by the Mortgage);
- (e) mechanics' and materialmen's Liens related to the Project when payment of the related bill is not overdue;
- (f) mechanics' and materialmen's Liens, security interests or other encumbrances related to the Project to the extent permitted in Section 6.1 hereof;
- (g) judgment Liens against the Borrower so long as such judgment is being contested and execution thereon is stayed or while the period for responsive pleading has not lapsed;

(h) (i) Rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license or permit, or provision of law, affecting the Project, to (A) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of the Project or materially and adversely affect the value thereof, or (B) purchase, condemn, appropriate, or recapture, or designate a purchaser of, the Project; (ii) Liens on the Project for taxes, assessments, levies, fees, water and sewer charges, and other governmental and similar charges not yet due or delinquent; (iii) easements, rights-of-way, servitudes, restrictions and other minor defects, encumbrances and irregularities in the title to the Project which do not materially impair the use of the Project or materially and adversely affect the value thereof; or (iv) rights reserved to or vested in any municipality or public authority to control or regulate the Project or to use the Project in any manner, which rights do not materially impair the use of the Project or materially and adversely affect the value thereof;

(i) Liens and any other restrictions, exceptions, leases, easements or encumbrances which are existing on the date of initial issuance and delivery of the Bonds and set forth on the mortgagee's title policy delivered in accordance with Section 4.9 hereof, provided that no such Lien (or the amount of Indebtedness secured thereby), restriction, exception, lease, easement or encumbrance may be increased, extended, renewed or modified to apply to the Project not subject to such Lien on such date, unless such Lien as so extended, renewed or modified or otherwise qualified as a Permitted Encumbrance hereunder or is otherwise permitted pursuant to Section 8.12 hereof;

(j) Liens on the Project and the Pledged Revenues or any Indebtedness which meet the conditions described in Section 8.12 hereof; and

(k) Liens arising by reason of an Irrevocable Deposit.

(l) Liens on the Project and the Pledged Revenues (subordinate to the Mortgage) to secure payment of indebtedness subordinate to the obligations of the Borrower under Section 8.12 hereof.

(m) The Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of April [___], 2013 executed by Lessor.

“Regulated Chemicals” means any substance, the presence of which requires investigation, permitting, control or remediation under any federal, State or local statute, regulation, ordinance or order, including without limitation:

(a) any substance defined as “hazardous waste” under the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 6901 et seq.);

(b) any substance defined as a “hazardous substance” under the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. §§ 9601 et seq.);

(c) any substance defined as a “hazardous material” under the Hazardous Materials Transportation Act (49 U.S.C. §§ 1800 et seq.);

(d) any substance defined under any California statute analogous to (a), (b) or (c), to the extent that said statute defines any term more expansively;

(e) asbestos;

(f) urea formaldehyde;

(g) polychlorinated biphenyls;

(h) petroleum, or any distillate or fraction thereof;

(i) any hazardous or toxic substance designated pursuant to the laws of the State; and

(j) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority.

“Repair and Replacement Fund” means the fund by that name created pursuant to Section 3.2 of the Indenture.

“Retirement Date” means for each series of Bonds, the date on which the last Bond of such series is redeemed and cancelled.

“Sole Member” means [Alliance for College-Ready Public Schools], the sole member of the Borrower.

“Yield” of

(a) any Investment has the meaning set forth in Section 1.148-5 of the Treasury Regulations; and

(b) any Bonds has the meaning set forth in Section 1.148-4 of the Treasury Regulations.

ARTICLE II REPRESENTATIONS

Section 2.1 Representations by the Authority. The Authority represents that:

(a) The Authority is a joint exercise of powers authority formed by the JPA Agreement pursuant to the provisions of the Act;

(b) In order to facilitate the financing of certain costs of the Project, in an amount estimated by the Borrower, the Authority has duly authorized the execution, delivery, and performance on its part of the Bond Purchase Agreement,

the Indenture, and this Agreement in connection with the issuance of the Series 2013 Bonds;

(c) The Authority proposes to issue its Series 2013 Bonds immediately following the execution and delivery of this Agreement. The series designation, date, denomination or denominations, interest rate or rates, maturity schedule, redemption provisions and other pertinent provisions with respect to the Bonds are set forth in the Indenture;

(d) The Authority makes no representation or warranty that the amount of the Loan will be adequate or sufficient to facilitate the financing of certain costs of the Project or that the Project will be adequate or sufficient for the purposes of the Borrower; and

(e) The Authority has not pledged, assigned, or granted, and will not pledge, assign, or grant any of its rights or interest in or under this Agreement for any purpose other than as provided for in the Indenture.

(f) The Series 2013 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 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 Series 2013 Bonds, or the redemption premium or interest thereon, except from the funds provided therefor under the Indenture. The issuance of the Series 2013 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.

Section 2.2 Representations by the Borrower. The Borrower represents and covenants that:

(a) As of the date of this Agreement and so long as this Agreement shall remain in force and effect, that the Borrower: (i) shall not perform any act, enter into any agreement or use or permit the Project to be used in any manner (including in any unrelated trade or business) which would adversely affect the exclusion from gross income of interest on any Additional Bonds issued as Tax-Exempt Bonds or the status of the Series 2013 Bonds as Qualified School Construction Bonds pursuant to Section 54F of the Code and (ii) it is duly organized and existing as [a limited liability company organized for nonprofit purposes] under the laws of the State, it is in good standing and authorized to transact business in the State, it will maintain, extend and renew its corporate existence under the laws of the State, and it will not do, suffer or permit any act or thing to be done whereby its right to transact its functions might or could be terminated or its activities restricted.

(b) The Borrower has been duly authorized to execute each of the Borrower Documents and consummate all of the transactions contemplated thereby, and the execution, delivery, and performance of the Borrower Documents will not conflict with or constitute a breach of or default by the Borrower under any other instrument or agreement to which the Borrower is a party or to which its property is bound.

(c) The Borrower's execution, delivery, and performance of the Borrower Documents shall not constitute a violation of any order, rule, or regulation of any court or governmental agency having jurisdiction over the Borrower.

(d) There are no pending or, to the Borrower's knowledge, threatened actions, suits, or proceedings of any type whatsoever affecting the Borrower, the Borrower's property, or the Borrower's ability to execute, deliver, and perform with respect to any of the Borrower's Documents.

(e) The Facilities will constitute, and the Borrower shall ensure the use of the Facilities as, a public charter school.

(f) Neither the representations of the Borrower contained in the Borrower Documents, nor any oral or written statements, furnished by the Borrower, nor written statements furnished on behalf of the Borrower, to the Authority or Bond Counsel in connection with the transactions contemplated hereby, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not misleading. There are no facts that the Borrower has not disclosed to the Authority of the Bonds in writing that materially and adversely affect or in the future may (so far as the Borrower can now reasonably foresee) materially and adversely affect the properties, business, prospects, profits, or condition (financial or otherwise) of the Borrower, or the ability of the Borrower to perform its obligations under the Borrower Documents or any documents or transactions contemplated hereby or thereby.

(g) The Borrower's federal employer identification number is [__-____].

(h) To the Borrower's knowledge, the use of the Project, as it is proposed to be operated upon completion of same, shall comply with all applicable zoning, development, pollution control, water conservation, environmental, and other laws, regulations, rules, and ordinances of the federal government and the State and the respective agencies thereof and the political subdivisions in which the Project is located.

(i) The Borrower or the Lessee has obtained all necessary approvals of and licenses, permits, consents, and franchises from federal, state, county, municipal, or other governmental authorities having jurisdiction over the Project

to acquire, construct, improve, equip, rehabilitate, and operate the Project, and to enter into, execute, and perform its obligations under this Agreement and the other Borrower Documents.

(j) To the Borrower's knowledge, the Project, as designed and operated or caused to be operated by the Borrower, and when constructed or rehabilitated in accordance with such design, will meet all material requirements of law, including requirements of any federal, state, county, city or other governmental authority having jurisdiction over the Project or its use and operation.

(k) None of the Authority Indemnified Parties has any significant or conflicting interest, financial, employment, or otherwise, in the Borrower, the Project, or in any of the transactions contemplated under the Borrower Documents.

(l) As of the Closing Date, there has been no material adverse change in the financial condition, prospects, or business affairs of the Borrower or the feasibility or physical condition of the Facilities subsequent to the date on which the Authority adopted its resolution approving the issuance of the Bonds.

(m) The Borrower (i) understands the nature of the structure of the transactions related to the financing of the Project; (ii) is familiar with all the provisions of the documents and instruments related to such financing to which the Borrower or the Authority is a party or which the Borrower is a beneficiary; (iii) understands the risk inherent in such transactions, including, without limitation, the risk of loss of the Project; and (iv) has not relied on the Authority for any guidance or expertise in analyzing the financial consequences of such financing transactions or otherwise relied on the Authority in any manner, except to issue the Bonds in order to provide funds for the Loan.

(n) The Borrower hereby acknowledges receipt of the Indenture, agrees to be bound by its terms, and accepts all obligations and duties imposed thereby.

(o) The Borrower covenants and agrees that it will not use or permit the use of any funds provided by the Authority hereunder or any other funds of the Borrower directly or indirectly, in a manner which would, or enter into, or allow any "related person" (as defined in Code Section 147(a)(2)) to enter into, any arrangement, formal or informal, for the purchase of the Bonds that would, or take or omit to take any action that would, to the knowledge of the Borrower, cause any Bond to be an "arbitrage bond" within the meaning of Code Section 148 or "federally guaranteed" within the meaning of Code Section 149(b) and the applicable regulations promulgated from time to time thereunder. The Borrower further covenants to comply with the covenants and procedures set forth in Section 3.16 of the Indenture and to deposit or cause to be deposited in the Rebate

Fund such amount as may be necessary to maintain the Rebate Amount on deposit in the Rebate Fund.

(p) Notwithstanding any provisions of this Section 2.2, if the Borrower shall provide to the Authority and the Trustee an opinion of Bond Counsel that any specified action required under this Section or Section 3.16 of the Indenture is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on any Tax-Exempt Bonds or the status of the Series 2013 Bonds as Qualified School Construction Bonds pursuant to the Code, as applicable, the Authority, the Trustee and the Borrower may conclusively rely on such opinion in complying with the requirements of this Section and Section 3.16 of the Indenture and be protected in so doing, and the covenants hereunder shall be deemed to be modified to that extent.

(q) Except during the continuance of an Event of Default, the Borrower shall have a duty to direct the Trustee to invest or reinvest all money held for the credit of all Funds established by the Indenture in accordance with Article VI of the Indenture.

(r) All representations of the Borrower contained herein or in any certificate or other instrument delivered by the Borrower pursuant hereto, to the Indenture, or in connection with the transactions contemplated thereby, shall survive the execution and delivery thereof and the issuance, sale, and delivery of the Bonds as representations of facts existing as of the date of execution and delivery of the instrument containing such representation.

(s) The Borrower covenants and agrees to pay or cause to be paid, when due, all costs and expenses of the Authority incurred in connection with the Bonds or the Project not paid from the Cost of Issuance Fund, including, without limitation, each and all of the following:

(i) all indemnity payments;

(ii) all expenses incurred by the Authority in connection with the Project, the Bonds, the Indenture, or any of the Borrower Documents, including, without limitation, its attorneys' fees and expenses and its advisors' fees and expenses;

(iii) the fees and expenses of the Rebate Analyst.

(t) The Borrower will not grant any Liens on the Pledged Revenues (other than the Lien against the Pledged Revenues effected by this Agreement and Permitted Encumbrances).

(u) Upon the filing of UCC-1 financing statements or amendments thereto, the Trustee will have a valid first Lien on and valid security interest in the personal property of the Borrower and the Lessee subject to no Liens, charges or encumbrances other than the Permitted Encumbrances, and the Borrower will take

all necessary actions including filing continuation statements to preserve such Lien and security interest. The Borrower shall not change its name unless prior to the effective date of such change the Borrower shall have delivered to the Trustee an Opinion of Counsel to the effect that all filings and other actions necessary under the Uniform Commercial Code and other applicable law in order to preserve and protect such Lien and security interest following such name change have been made and taken.

(v) The Borrower shall provide or cause to be provided the reports set forth in Section 8.5 hereof.

(w) The Borrower shall ensure that all proceeds of the Series 2013 Bonds used in connection with the construction of the Project comply with the applicable Federal labor standards (commonly referred to as Davis Bacon).

Section 2.3 Borrower's Tax Covenants. The Borrower represents and covenants that:

(a) The Borrower will not take any action or omit to take any action, which action or omission will adversely affect the excludability from gross income of the interest on any Tax-Exempt Bonds or the status of the Series 2013 Bonds as Qualified School Construction Bonds qualifying for Direct Payments for federal income tax purposes or cause the interest on any Tax-Exempt Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code, and in the event of such action or omission, it will, promptly upon having such brought to its attention, take such reasonable actions based upon an Opinion of Bond Counsel, and in all cases at the sole expense of the Borrower, as may rescind or otherwise negate such action or omission. The Borrower will not directly or indirectly, use or permit the use of any Bond Proceeds of the Series 2013 Bonds or any other funds of the Borrower, or take or omit to take any action, that would cause any Tax-Exempt Bonds or the Series 2013 Bonds to be or become "arbitrage bonds" within the meaning of Section 148(a) of the Code (or their statutory predecessor) or to fail to meet any other applicable requirements of the Code (or their statutory predecessor). To that end, the Borrower will comply with all applicable requirements of the Code (or their statutory predecessor) to the extent applicable to any Tax-Exempt Bonds and the Series 2013 Bonds. In the event that at any time the Borrower is of the opinion that, for purposes of this Section 2.3, it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee or otherwise, the Borrower shall so instruct the Trustee in writing.

(b) The Authority and the Borrower hereby covenant and agree that they shall not enter into any arrangement, formal or informal, pursuant to which the Borrower (or any "related party," as defined in Section 1.150-1(b) of the Treasury Regulations) shall purchase any Tax-Exempt Bonds. This covenant

shall not prevent the Borrower from purchasing Bonds in the open market for the purpose of tendering them to the Trustee for purchase and retirement.

(c) With the intent not to limit the generality of the foregoing, the Borrower covenants and agrees that:

(i) The Borrower shall ensure that not less than 100% of the “available project proceeds” (as such term is defined in Section 54A(e)(4) of the Code) of the Series 2013 Bonds are spent for the construction, rehabilitation, or repair of the Series 2013 Facilities, or for the acquisition of land on which the Series 2013 Facilities is to be constructed.

(ii) Except as permitted by Section 149(b)(3) of the Code, the Borrower will not permit a Series of Tax-Exempt Bonds or the Series 2013 Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code.

(iii) The weighted average maturity of a Series of Tax-Exempt Bonds will not exceed 120% of the weighted average reasonably expected economic life of the property financed with that Series of Bonds, determined in accordance with Section 147(b) of the Code. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the date such property was placed in service or, if later, the date of issuance of the related Series of Bonds.

(iv) The statements concerning each Series of Tax-Exempt Bonds, the Series 2013 Bonds and the application of the Bond Proceeds of such Series required by Section 149(e) of the Code, and approved by the Borrower on behalf of the Authority, are true and complete for the purposes for which intended. The Borrower shall prepare and submit, or cause to be submitted, true and complete amendments of, or supplements to, those statements if in an Opinion of Bond Counsel such amendments or supplements are deemed to be necessary or advisable.

(v) No changes will be made in the bond-financed property of a Series or in the use of such facilities which will adversely affect the excludability from gross income for federal income tax purposes of the interest on any Tax-Exempt Bonds or the status of the Series 2013 Bonds as Qualified School Construction Bonds qualifying for Direct Payments, or will cause the interest on any Tax-Exempt Bonds, or any portion thereof, to constitute an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code. The Borrower will use the bond-financed property of a Series or cause such property to be used so long as that Series of Bonds remains unpaid so as to constitute a “public school” within the meaning of California law.

(vi) Neither the Tax-Exempt Bond proceeds of a Series, nor the Series 2013 Bonds, will be used to reimburse the Borrower for any expenditure made by the Borrower more than 60 days prior to a qualifying declaration of intent, which is approved by Bond Counsel, except with respect to any Tax-Exempt Bonds, for planning costs and other preliminary expenditures within the meaning of Section 1.150-2 (f)(2) of the Treasury Regulations not in excess of 20% of the issue price of that Series of Bonds and de minimis expenses within the meaning of Section 1.150 2(f)(1) of the Treasury Regulations.

(vii) Borrower will not make any investment or deposit in Investment Obligations or which involves the payment or agreement to pay to a party other than the United States an amount that is required to be paid to the United States by entering into a transaction that reduces the Rebate Amount payable to the United States or results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the yield on the related Series of Bonds not been relevant to either party to the transaction.

(viii) The costs of issuance financed with proceeds of Tax-Exempt Bonds, including any bond discount on the sale of any Tax-Exempt Bonds, will not exceed 2% of the proceeds of such Tax-Exempt Bonds, nor will the costs of issuance financed with the proceeds of the Series 2013 Bonds exceed 2% of the proceeds of the Series 2013 Bonds. The Borrower will pay any remaining costs of issuance exceeding 2% of the proceeds of any Tax-Exempt Bonds and 2% of the proceeds of the Series 2013 Bonds on the Closing Date.

(d) The Borrower covenants to comply with the covenants and procedures set forth in Section 3.16 of the Indenture and to deposit or cause to be deposited in the Rebate Fund such amount as may be necessary to maintain the deposit in the Rebate Fund at the Rebate Amount.

(e) All covenants and obligations of the Borrower contained in this Section 2.3 shall remain in effect and be binding upon the Borrower until all of the Series 2013 Bonds and any Tax-Exempt Bonds have been paid, notwithstanding any earlier termination of the Agreement or any provision for payment of principal of and premium, if any, and interest on the outstanding Series 2013 Bonds and Loan Payments and release and discharge of the Indenture.

(f) Notwithstanding any provision of this Section 2.3, if the Borrower provides, at the Borrower's expense, to the Trustee and to the Authority an Opinion of Bond Counsel to the effect that any action required under this Section or Section 3.16 of the Indenture is no longer required, or to the effect that some further action is required, to maintain the excludability from gross income of interest on any Tax-Exempt Bonds pursuant to Section 103(a) of the Code, or the

status of the Series 2013 Bonds as Qualified School Construction Bonds qualifying for Direct Payments, the Borrower, the Authority and the Trustee may rely conclusively on such opinion in complying with the provisions hereof and Section 3.16 of the Indenture, and the covenants hereunder shall be deemed to be modified to that extent.

(g) The Borrower agrees that it will not take any action or omit to take any action or cause or permit any circumstance to arise or continue if such action or circumstance or omission would cause any revocation or adverse modification of such federal income tax status, unless it obtains, at the Borrower's expense, an Opinion of Bond Counsel, addressed to the Trustee that such revocation or modification will not adversely affect the excludability from gross income under Section 103(a) of the Code of interest paid on any Tax-Exempt Bonds or the status of the Series 2013 Bonds as Qualified School Construction Bonds qualifying for Direct Payments, or cause the interest on any Tax-Exempt Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code.

(h) The Borrower shall make or cause to be made the following payments:

(i) To Correct Underpayments. If the Borrower shall be notified by the Authority or the Trustee as of any date that any payment made to the United States Treasury in respect of the Bonds of a Series pursuant to the rebate provisions of the Indenture shall have failed to satisfy any requirement of Section 1.148-3 of the Treasury Regulations (whether or not such failure shall be due to any default by the Borrower), the Borrower shall (1) pay or cause to be paid to the Trustee (for deposit to the Rebate Fund) the correct amount in respect thereof, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Treasury Regulations, and (2) in the event that the Borrower has any knowledge of the reason for such failure, deliver to the Trustee a brief written explanation of such failure and any basis for concluding that such failure was not due to willful neglect.

(ii) Preservation of Accounting Records. The Borrower shall retain a Rebate Analyst on or before the Closing Date, and on request of the Rebate Analyst or the Trustee, provide to any such person copies of all of the Borrower's accounting records relating to the accounts and subaccounts in the Funds, for at least six years after the later of the final maturity (whether at stated maturity or earlier prepayment) of the related Promissory Note or the first date on which no Bonds of the related Series are Outstanding.

(i) The Borrower has not entered and will not enter into any arrangements with any Beneficial Owner in connection with the Series 2013 Bonds, other than as disclosed to the Authority and Trustee.

Section 2.4 Covenant to Comply with Charter School Laws and Charter Contract. The Borrower covenants to cause the Lessee to comply fully and in all respects with the provisions of the Charter Schools Act and its Charter Contract so long as any Bonds remain Outstanding.

Section 2.5 Representations by Borrower to Provide Ongoing Disclosure. The Borrower hereby covenants to enter into a written undertaking for the benefit of the holders of the related Series of Bonds required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) (the “Rule”) contemporaneously with the issuance of such Series of Bonds which shall be assigned to the Trustee for the benefit of the Registered Owners and each Registered Owner shall be a beneficiary of this Section 2.5 and such undertaking with the right to enforce this Section 2.5 and undertaking directly against the Borrower. No such undertaking shall be required in connection with the issuance of the Series 2013 Bonds.

Section 2.6 [Reserved].

Section 2.7 Environmental Representations. The Borrower and its successors and assigns hereby represents and warrants:

(a) Condition of Facilities. To the best of its knowledge, and after review of the Phase I Report [and the Phase II Report], the Facilities, including all personal property, is free from contamination by Regulated Chemicals, including, but not limited to, friable asbestos, and there has not been thereon a release, discharge or emission, or a threat of release, discharge or emission, of any Regulated Chemical on, under, in, or about the Facilities, nor has any such Regulated Chemical migrated or threatened to migrate from other properties upon, about or beneath the Facilities.

(b) Previous Use of Facilities. To the best of the its knowledge, and after review of the Phase I Report [and the Phase II Report], and except as otherwise disclosed in the Phase I Report and the Phase II Report, neither the Borrower nor any previous owner, tenant, occupant or user of the Facilities, nor any other Person, has engaged in or permitted any operations or activities upon, or any use or occupancy of the Facilities, or any portion thereof, whether legal or illegal, accidental or intentional, for the purpose of or in any way involving the handling, manufacture, treatment, storage, use, generation, release, discharge, refining, dumping or disposal of any Regulated Chemical, on, under, in or about the Facilities, nor has any such party transported any Regulated Chemical to, from or across the Facilities.

(c) Property Adjoining Facilities. To the best of its knowledge, and after review of the Phase I Report [and Phase II Report], any adjoining property has not been used as a manufacturing, storage or disposal site for Regulated Chemicals nor is any other property adjoining the Facilities affected by a violation of Environmental Requirements.

(d) Compliance with Environmental Requirements. To the best of its knowledge, and after due inquiry, the Facilities are in compliance with and have at all times been in compliance with all applicable Environmental Requirements and the Borrower, the Lessor or the Lessee has all permits and licenses required to be issued under the Environmental Requirements and are in full compliance with the terms and conditions of such permits and licenses; such permits and licenses are in full force and effect; and no changes exist in the facts or circumstances reported or assumed in the application for or granting of such permits or licenses.

(e) No Notice of Violations of Environmental Requirements. The Borrower has not, and to the best of its knowledge, the Lessee has not received any notice, whether written or oral, concerning the Facilities, for any alleged violation or requiring compliance of Environmental Requirements, whether or not corrected to the satisfaction of the appropriate authority, or notice or other communication concerning alleged liability for Environmental Damages in connection with the Facilities, and to the best of Borrower's knowledge there exists no investigation, administrative order, consent order and agreement, litigation, settlement or judgment, whether proposed, threatened, anticipated or in existence with respect to the Facilities.

(f) Survival of Representations and Warranties. The representations and warranties set forth in this Section 2.7 shall survive the expiration or termination of the Borrower Documents, the payment of the Bonds, and the discharge of any obligations owed by the parties to each other and will survive any transfer of title to the Facilities, whether by foreclosure, or otherwise and shall not be affected by any investigation by or on behalf of the Authority or the Trustee or any information which the Authority or the Trustee may have or obtain with respect thereto.

Moreover, the Borrower does hereby and specifically represent and warrant that it has no affirmative knowledge or reason to believe that any condition, previous use, compliance or violation of Environmental Requirements are contrary to the description in Section 2.7(a), (b), (c), (d), and (e).

ARTICLE III TERM OF THE AGREEMENT

This Agreement shall remain in full force and effect from the date of delivery hereof until such time as all of the payments on the Promissory Notes shall have been fully paid or provision is made for such payment pursuant to the Indenture and all reasonable and necessary fees and expenses of the Trustee accrued and to accrue through final payment of the Promissory Notes, all fees and expenses of the Authority accrued and to accrue through final payment of the Promissory Notes and all other liabilities of the Borrower accrued and to accrue through final payment of the Promissory Notes under this Agreement and the Indenture have been paid or provision is made for such payments pursuant to the Indenture; provided, however, notwithstanding any other provision hereof (a) the indemnification provisions of Sections 6.6 and 8.6 hereof and agreements

contained in Section 10.4 hereof shall survive after the termination of the term of this Agreement; (b) all agreements, representations and certifications by the Borrower as to the exclusion from gross income of interest on any Tax-Exempt Bonds and the status of the Series 2013 Bonds as Qualified School Construction Bonds shall survive termination of the term hereof until the expiration of statutes of limitation applicable to the liability of the Registered Owners of such Bonds for federal and state income taxes with respect to interest on any Tax-Exempt Bonds or the status of the Series 2013 Bonds as Qualified School Construction Bonds, as applicable; and (c) upon the defeasance of the Indenture, all such indemnification provisions shall be enforceable by the Authority Indemnified Parties, and all such agreements, representations and certifications regarding the exclusion from gross income of the interest on any Tax-Exempt Bonds and the status of the Series 2013 Bonds as Qualified School Construction Bonds shall be enforceable by the Registered Owners of such Bonds, directly against the Borrower until the expiration of statutes of limitation applicable to the liability of the Registered Owners of such Bonds for federal and state income taxes with respect to the interest on any Tax-Exempt Bonds or the status of the Series 2013 Bonds as Qualified School Construction Bonds, as applicable.

ARTICLE IV THE PROJECT; ISSUANCE OF THE BONDS

Section 4.1 Agreement to Issue Series 2013 Bonds; Application of Bond Proceeds and Other Moneys. In order to provide funds to make the Loan to finance payment of the Cost of the Project, the Authority will sell and cause to be delivered to the initial purchasers thereof the Series 2013 Bonds and will make such Loan and direct the Trustee to deposit or transfer the proceeds of the Series 2013 Bonds into the Project Fund in the amount of \$[_____].

Section 4.2 Disbursements from the Project Fund. The Authority has, in the Indenture, authorized and directed the Trustee to disburse the moneys in the Project Fund on behalf of the Borrower to pay Costs of the Project. The Trustee shall make disbursements from the Project Fund within three (3) days of receipt by the Trustee of a completed requisition, in the form attached hereto as Exhibit B, signed by an Authorized Representative of the Borrower and approved in writing by the Consulting Architect or, if the requisition does not relate to a construction cost (as certified in writing by the Borrower) a requisition in the form attached hereto as Exhibit B but signed only by an Authorized Representative of the Borrower. Notwithstanding the foregoing, on the Closing Date for the Series 2013 Bonds, the Trustee is hereby authorized to disburse \$[_____] from the Project Fund to the Borrower without need of a completed requisition.

In connection with the construction of the Series 2013 Project, the Borrower covenants to deliver or cause to be delivered by the Lessee to the Trustee each of the following:

- (a) Guaranteed Maximum Price Construction Contract. At or prior to the Closing Date, a guaranteed maximum price construction contract dated

[March __, 2013], as amended (the “Construction Contract”) with [CONSTRUCTION COMPANY] under which such contractor agrees to construct the Series 2013 Project for a guaranteed maximum price (and estimated earnings thereon to the extent available for construction purposes).

(b) Evidence of Building Permits. At or prior to the Closing Date a copy of the foundation permit, and as soon as practicable after the Closing Date, a copy of the building permit, authorizing the construction of the Series 2013 Project.

(c) Evidence of Payment and Performance Bonds. At or prior to the Closing Date a copy of a commitment for a payment and performance bond of the contractor.

The Trustee shall have no duties regarding the information delivered by or on behalf of the Borrower pursuant to subsections (a) through (c) above other than to retain any such information that it receives.

The Borrower shall diligently enforce all of its rights under the Construction Contract to the end of achieving completion of the construction of the Series 2013 Project on or before the date on which substantial completion is required under the Construction Contract.

The Completion Date of a Project shall be evidenced to the Trustee by the furnishing of a certificate of occupancy from the city in which the Project is located, and a certificate (the “Completion Certificate”) signed by the Authorized Representative of the Borrower stating that the Project to be constructed has been acquired, constructed, and/or equipped in substantial compliance with the plans and specifications relating thereto.

As soon as practicable following the receipt by the Trustee of the Completion Certificate for the Series 2013 Project and in any event not later than the third anniversary of the Closing Date (or if an extension has been obtained as provided in Section 54A(d)(2)(B)(iii) of the Code, the last date of such extension), the Borrower shall pay to the Trustee an amount equal to any unused proceeds of the Series 2013 Bonds for deposit in the Bond Principal Fund and such proceeds shall be used for the redemption of Series 2013 Bonds in accordance with Section 5.3 of the Indenture.

The Borrower hereby guarantees completion of the Series 2013 Project before [_____, 20__] and shall use its own money as necessary to timely complete construction of the Series 2013 Project if proceeds from the Series 2013 Bonds or any Additional Bonds available to be issued are insufficient.

Section 4.3 Reserved.

Section 4.4 Disbursements from the Cost of Issuance Fund. The Authority has, in the Indenture, authorized and directed the Trustee to make payments from the Cost of Issuance Fund for the payment of issuance expenses as provided in this Section.

Payments shall be made from the Cost of Issuance Fund only for paying the costs of legal, accounting, organization, marketing, trustee or other special services and other fees and expenses, incurred or to be incurred by or on behalf of the Authority or the Borrower in connection with the issuance of the Bonds. The Authority does not make any warranty either express or implied that the moneys in the Cost of Issuance Fund available for payment of the foregoing costs will be sufficient to pay such costs in full, and the Borrower agrees to pay costs in excess of the amount in the Cost of Issuance Fund from any moneys legally available for such purpose. Each payment out of the Cost of Issuance Fund shall be made only upon (i) receipt by the Trustee of an invoice from each payee in amounts not to exceed those as set forth in Exhibit C to the Indenture, or (ii) upon receipt by the Trustee of a requisition signed by the Borrower stating the payee, the amount to be paid and certifying that such cost was incurred in connection with the issuance of the Bonds.

Any amounts remaining on deposit in the Cost of Issuance Fund shall be transferred by the Trustee to the Bond Interest Fund as provided in Section 3.13 of the Indenture.

Section 4.5 Disbursements from Tax and Insurance Escrow Fund. The Authority has, in the Indenture, authorized the Trustee to make payments from the Tax and Insurance Escrow Fund for the payment of (a) real property or ad valorem taxes with respect to the Facilities, or (b) premiums for the insurance policies required to be maintained by the Borrower pursuant to this Agreement. Each payment out of the Tax and Insurance Escrow Fund shall be made only upon receipt by the Trustee of a completed requisition, in the form attached hereto as Exhibit F, signed by an Authorized Representative of the Borrower. The Authority makes no warranty that the amounts in the Tax and Insurance Escrow Fund will be sufficient to pay taxes and insurance.

Section 4.6 Obligation of the Borrower to Furnish Documents to Trustee. The Borrower agrees that the requisitions referred to in Section 4.4 hereof must be furnished to the Trustee before the Trustee will disburse funds held under the Indenture.

Section 4.7 Investment of Moneys. Any moneys held as a part of the Funds shall be invested, reinvested and transferred to other Funds by the Trustee at the written direction of an Authorized Representative of the Borrower as provided in Article VI of the Indenture. In addition, the Borrower covenants that any money held as a part of the Funds shall be invested in compliance with the procedures established by the Tax Certificate to the extent required to comply with the covenants contained in Section 4.8 hereof. The Borrower shall provide to the Trustee and Authority within 60 days after the end of each Rebate Year for each Series of Bonds, a certificate of the Borrower to the effect that (a) all requirements of the Agreement, the Indenture and the Tax Certificate with respect to the Rebate Fund have been met on a continuing basis, (b) the proper amounts have been and are on deposit in the Rebate Fund, and (c) timely payment of all amounts due and owing to the United States Treasury have been made. If the certifications required by either (b) or (c) above cannot be made, the certificate shall so state and shall be accompanied by either money of the Borrower together with a direction from the Borrower to the Trustee to either deposit such money to the Rebate Fund or to

pay such money over to the United States Treasury, as appropriate, or directions from the Borrower to the Trustee to transfer investment income available in any Fund to the Rebate Fund or to the United States Treasury, as appropriate. The Borrower acknowledges the provisions of Section 6.3 of the Indenture which limit the amount of money to be so transferred from the Funds at its direction.

If the certificate described in the preceding paragraph is not delivered to the Trustee and Authority on its due date, during the term of this Agreement, the Trustee shall (or shall cause an expert satisfactory to the Trustee to) do all things necessary to enable the Borrower (or such expert) to make such certification as soon as possible. The Trustee shall transfer moneys from other Funds as provided in Section 3.16 of the Indenture to the Rebate Fund or the United States Treasury, as appropriate, if required.

The Trustee shall be entitled to assume, absent receipt by the Trustee of written notice to the contrary, that any investment which at the time of purchase is an Investment Obligation remains an Investment Obligation thereafter.

The Authority acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Authority the right to receive brokerage confirmations of security transactions, the Authority waives receipt of such confirmations. The Trustee shall furnish to the Authority and Borrower periodic statements which include detail of all investment transactions made by the Trustee.

Borrower acknowledges that regulations of the Comptroller of the Currency grant the Borrower the right to receive brokerage confirmations of security transactions as they occur. Borrower specifically waives such notification to the extent permitted by law and acknowledges that the Borrower will receive periodic cash transaction statements, which will detail all investment transactions. Unless contrary to written investment directions previously submitted to the Trustee, an account statement delivered by the Trustee to the Borrower shall be deemed written confirmation by the Borrower that the investment transactions identified therein accurately reflect the investment directions given to the Trustee by the Borrower, unless the Borrower notifies the Trustee in writing to the contrary within 30 days after the date of such statement.

Section 4.8 Tax Covenants. The Borrower covenants for the benefit of the Authority and the Registered Owners of any Tax-Exempt Bonds and the Series 2013 Bonds that it will not take any action or omit to take any action with respect to any Tax-Exempt Bonds or the Series 2013 Bonds, the proceeds thereof, any other funds of the Borrower or any of the property of the Borrower, including the Series 2013 Project, if such action or omission (a) would cause the interest on any Tax-Exempt Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (b) would cause interest on any Tax-Exempt Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (c) would cause the Series 2013 Bonds to lose their status as Qualified School Construction Bonds qualifying for Direct

Payments. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of any Tax-Exempt Bonds or the Series 2013 Bonds, until the expiration of statutes of limitations applicable to the liability of the Registered Owners of any Tax-Exempt Bonds or the Series 2013 Bonds, as applicable, for federal and state income taxes with respect to interest on any Tax-Exempt Bonds or tax credits with respect to the Series 2013 Bonds.

The Borrower further covenants, represents and warrants that the procedures set forth in the Tax Certificate implementing the above covenant shall be complied with to the extent necessary under the Code to maintain the exclusion from gross income of interest on any Tax-Exempt Bonds for federal income tax purposes (except to the extent noted in the preceding paragraph), to maintain the status of the Series 2013 Bonds as Qualified School Construction Bonds, or to avoid the application of any penalties under the Code, subject to any applicable statute of limitations.

Section 4.9 Title Insurance. On the date of recordation of the Mortgage, the Trustee shall be provided with a commitment to issue an extended form mortgagee's title insurance policy insuring the Trustee's interest in and Lien against the leasehold interest in the property subject to the Mortgage, as described on Exhibit A hereto subject to Permitted Encumbrances, in an amount not less than the principal amount of the Bonds with respect to the mortgagee's policy, a copy of which shall be delivered to the Trustee. Each such policy shall be in the form of a standard or extended American Land Title Association Policy, as applicable, and may not permit the title insurer to purchase any Bonds in lieu of providing payment under the policy unless, upon purchase, such Bonds are cancelled. Upon the date of issuance of the Bonds, the Mortgage shall be recorded in the real property records of Los Angeles County and provide the Trustee with a perfected first priority Lien interest in the property subject to the Mortgage, subject to any Permitted Encumbrances.

Upon the execution by the Borrower of the Mortgage and its subsequent recording, and upon the filing of UCC-1 financing statements or amendments thereto, the Trustee will have a valid first priority Lien on the Series 2013 Project and a valid security interest in the personal property subject to no Liens, charges or encumbrances other than the Permitted Encumbrances, and the Borrower will take or cause Lessee to take all necessary actions including filing continuation statements to preserve such Lien and security interest.

ARTICLE V

PAYMENT PROVISIONS

Section 5.1 Loan Payments and Other Amounts Payable.

(a) The Borrower shall pay (or cause to be paid) on or prior to the tenth day of each calendar month for the period commencing [_____, 20__] and ending [_____, 20__] amounts sufficient to pay [one-fourth (1/4)] of the interest on the Bonds on [_____, 20__], and shall pay (or cause to be paid) on

or prior to the tenth day of each calendar month thereafter, during the term of this Agreement (after taking into consideration amounts then on deposit in the Bond Interest Fund) amounts sufficient to pay [one-third (1/3)] of the interest on the Bonds on the next succeeding Interest Payment Date and the principal on the Bonds on the next succeeding Principal Payment Date. Attached hereto as Exhibit E is a schedule setting forth the amount of each monthly Loan payment required under this Section 5.1(a). Such Exhibit E is attached hereto for purposes of convenience to the parties and the intention of the schedule is that it corresponds with the amortization schedule relating to Bonds established pursuant to the Indenture. In the event Exhibit E does not reflect the correct amount of the monthly Loan payment the Borrower owes, the Borrower shall pay the correct amount sufficient to pay the principal of, premium, if any, and interest on the Bonds that is coming due in accordance with the Indenture and not the amount set forth in Exhibit E. Notwithstanding anything to the contrary in this Agreement, the Borrower shall pay or cause to be paid to the Trustee amounts necessary to ensure that the Trustee has sufficient funds available under the Indenture to pay interest on and principal of the Bonds as such becomes due under the terms of the Indenture.

(b) On or before the redemption of any Bonds pursuant to the Indenture (other than a sinking fund redemption date), whether an optional redemption or mandatory redemption, the Borrower shall pay as repayment of the Loan for deposit into the Bond Principal Fund an amount of money meeting the definition of Protected Funds which, together with the payments made by the Borrower on its Promissory Notes then on deposit in the Bond Principal Fund, is sufficient to pay the principal of and premium, if any, on the Bonds called for redemption in an amount equivalent to the principal amount of the Promissory Notes being prepaid, and for deposit into the Bond Interest Fund an amount of money which, together with the payments made by the Borrower on its Promissory Notes then on deposit in the Bond Interest Fund, is sufficient to pay the interest accrued to the redemption date of Bonds called for redemption in an amount equivalent to the interest accrued on the Promissory Notes being prepaid.

(c) The Borrower shall pay or provide for the payment of all taxes and assessments, general or special, concerning or in any way related to the Facilities and the Project or any part thereof, and any other governmental charges and impositions whatsoever related to the Facilities or the Project, and premiums for insurance policies maintained on the Facilities and the Project as required by this Agreement. In furtherance thereof, the Borrower shall pay or cause to be paid to the Trustee each month for deposit into the Tax and Insurance Escrow Fund an amount equal to the Tax and Insurance Escrow Monthly Payment.

(d) The Borrower agrees to pay or cause to be paid to the Trustee the reasonable and necessary fees and expenses of the Trustee, including its attorney fees and expenses, as and when the same become due, upon submission of a statement therefor; provided that the Borrower may, without creating a default hereunder, contest in good faith any such fees or expenses.

(e) The Borrower shall pay or cause to be paid to the Trustee for deposit to the Rebate Fund all amounts required to be paid pursuant to Section 4.7 hereof and the Tax Certificate at the times and in the manner specified therein.

(f) The Borrower agrees to pay or cause to be paid (i) on or prior to the tenth day of each calendar month to the Trustee for deposit in the Expense Fund an amount not less than one-twelfth of the Authority's Annual Fee, (ii) the Authority's Administration Fee on the Closing Date, and (iii) any amounts required to reimburse the Authority for any expenses incurred by the Authority, whether out-of-pocket or internal, in connection with this Agreement, the Indenture, the Bonds, the Tax Certificate, the Bond Purchase Agreement, the Project or any other instrument or action relating to the foregoing, including fees and disbursements of attorneys of the Authority.

(g) The Borrower covenants to maintain the balance on deposit in the Repair and Replacement Fund at an amount not less than the Repair and Replacement Fund Requirement subject to the limitations found in Section 8.13 herein. If at any time the amount on deposit in the Repair and Replacement Fund is less than the Repair and Replacement Fund Requirement, the Trustee shall so notify the Borrower and the Borrower shall be required to restore the amount on deposit in the Repair and Replacement Fund to an amount equal to the Repair and Replacement Fund Requirement in twelve (12) equal installments not to exceed the annual contribution limit for the Repair and Replacement Fund Requirement, to be paid on the next succeeding Disbursement Dates.

(h) The Borrower covenants to pay on or prior to the tenth day of each calendar month to the Trustee for deposit in the Debt Service Reserve Fund an amount not less than one-twelfth of the Debt Service Reserve Fund Requirement (Annual). In addition to the foregoing, if the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement (Aggregate) due to a transfer of funds from such Fund because of a deficiency in the Bond Principal Fund or the Bond Interest Fund, the Trustee shall so notify the Borrower and the Borrower shall be required to restore the amount on deposit in the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement (Aggregate) in twelve (12) equal installments to be paid on the next succeeding Disbursement Dates.

(i) The Borrower shall pay or cause to be paid to the Trustee an amount necessary to pay the fees and expenses of the Rebate Analyst.

(j) The Borrower shall pay or cause to be paid to the Trustee an amount necessary to pay the Remarketing Agent Fee.

In the event the Borrower should fail to make or fail to cause to be made any of the payments required by this Section, the item or installment in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same and, with respect to the payments required by

subsections (a) through (d) and (f) through (h) of Section 5.1 hereof, to pay interest at the highest rate of interest borne by any of the Bonds, or the maximum rate permitted by law if less than such rate.

The Borrower shall receive a credit for amounts due under subsections (a), (f) and (h) to the extent Direct Payments are received by the Trustee sufficient to satisfy such monthly payment prior to the next succeeding Interest Payment Date following such monthly payment date.

Section 5.2 Pledge By Borrower. In fulfillment of its obligations hereunder, the Borrower hereby pledges to the payment of the Loan and the Promissory Notes securing such Loan, the following:

(i) All of the Borrower's right, title and interest in and to the Project, including all related additions, replacements, substitutions and proceeds for the purposes of securing such Loan;

(ii) all Pledged Revenues, including (without limitation) revenues, regardless of source, rentals, fees, third-party payments, receipts, donations, contributions or other income of the Borrower, to the extent permitted by the terms thereof and by law, including all the rights to receive such revenues (each subject to Permitted Encumbrances), all as calculated in accordance with sound accounting practices, proceeds derived from insurance, condemnation proceeds, accounts, contract rights, and other rights and assets, whether now or hereafter owned, held or possessed by the Borrower, and all gifts, grants, bequests and contributions (including income and profits therefrom) to the extent permitted by the terms thereof and by law; and

(iii) any and all other interests in real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specifically mortgaged, pledged or hypothecated, as and for additional security by the Borrower or by anyone on its behalf.

Section 5.3 Payees of Payments. All payments to the Trustee as set forth in Section 5.1 shall be paid in funds immediately available in the city in which the designated corporate trust office of the Trustee is located directly to the Trustee for the account of the Authority. The payments to be made to the Trustee under Section 5.1(d) hereof shall be paid directly to the Trustee for its own use. The payments provided for in Section 5.1(e) hereof shall be paid to the Trustee for the account of the Authority and deposited into the Rebate Fund. The payments to be made to the Authority under Section 5.1(f) hereof shall be paid to the Expense Fund held with the Trustee for further credit to the Authority.

Section 5.4 Obligations of Borrower Hereunder Unconditional. Except as provided herein, the obligations of the Borrower to make the payments required hereunder and to perform and observe the other agreements on its part contained herein

shall be absolute and unconditional and are a recourse and a general obligation of the Borrower. The Borrower (a) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for herein, (b) will perform and observe all of its other agreements contained in this Agreement and the Promissory Notes, and (c) except as provided in Article XI hereof, will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure to complete the Project, failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied. The Borrower may at its own cost and expense and in its own name or in the name of the Authority, prosecute or defend any action or proceeding or take any other action involving third persons which the Borrower deems reasonably necessary in order to secure or protect its or its lessees' rights of possession, occupancy and use of the Project.

Section 5.5 Default Interest Reserve. The Trustee may, and shall at the direction of the Authority or a majority of the Owners of the Bonds Outstanding, draw on amounts in the Default Interest Reserve to satisfy any of the Borrower's obligations hereunder.

Section 5.6 Guaranty. The Trustee may, and shall at the direction of the Authority or a majority of the Owners of the Bonds Outstanding, make a demand for payment under the Guaranty as permitted by its terms if the Borrower fails to timely perform its obligations hereunder.

ARTICLE VI

MAINTENANCE, TAXES AND INSURANCE

Section 6.1 Maintenance and Modifications of Facilities by Borrower. The Borrower agrees that the Series 2013 Facilities shall be operated and maintained, in compliance with all governmental laws, building codes, ordinances, and regulations and zoning laws as shall be applicable to the Series 2013 Facilities, unless the same are being contested in good faith by appropriate proceedings which operate to stay any action to foreclose or otherwise realize on any property of the Lessee. The Borrower agrees that during the term of this Agreement it will at its own expense (a) keep the Series 2013 Facilities in a safe condition required by law and (b) except to the extent the Borrower or the Lessee has determined that any portion of the Series 2013 Facilities is obsolete or not useful in its operations, keep or cause the Series 2013 Facilities to be kept in good repair and in good operating condition, making or causing to be made from time to time all necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof all of which shall be accomplished in a workmanlike manner in

accordance with all applicable laws. The Borrower may also, at its own expense, make or cause to be made from time to time any additions, modifications or improvements to the Series 2013 Facilities it may deem desirable for its purposes that do not substantially reduce its value; provided that all such additions, modifications and improvements made by the Borrower which are affixed to the Series 2013 Facilities shall become a part of the Series 2013 Facilities. The Borrower will not permit or cause to be permitted the removal of any personal property from the Series 2013 Facilities unless such personal property is obsolete, sold for fair market value or will be replaced with personal property of an equal or greater value. The Borrower will not permit or cause to be permitted any Liens, security interests or other encumbrances other than Permitted Encumbrances to be established or to remain against the Series 2013 Facilities for labor or materials furnished in connection with the Series 2013 Facilities or any additions, modifications, improvements, repairs, renewals or replacements made or caused to be made by it to the Series 2013 Facilities; provided that if the Borrower first notifies the Trustee of its intention to do so, the Borrower may, so long as no Event of Default has occurred and is continuing, diligently prosecute, in good faith, at its own expense, a contest of any mechanics' or other Liens filed or established against the Series 2013 Facilities and in such event may permit the items contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Series 2013 Facilities or any part thereof will be subject to loss or forfeiture, in which event the Borrower shall promptly pay or cause to be paid and cause to be satisfied and discharged all such unpaid items. The Authority will, at the expense of the Borrower, cooperate fully with the Borrower in any such contest. In the event that the Borrower shall fail to pay or cause to be paid any of the foregoing items required by this Section to be paid by the Borrower, the Authority or the Trustee may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Authority or the Trustee shall become an additional obligation of the Borrower under this Agreement to the one making the advance, which amount the Borrower agrees to pay on demand together with interest thereon at a rate which shall be 3% per annum above the highest rate of interest borne by any of the Bonds or the maximum rate permitted by law if less than such rate.

Section 6.2 Taxes, Other Governmental Charges and Utility Charges.

(a) The Borrower will pay or cause the Lessee to pay, as the same become due, (i) all taxes and governmental charges of any kind whatsoever or payments in lieu of taxes that may at any time be lawfully assessed or levied against or with respect to the Series 2013 Facilities or any interest therein, or any machinery, equipment, or other property installed or brought by the Borrower or the Lessee therein or thereon which, if not paid, will become a Lien on the Series 2013 Facilities or a charge on the Pledged Revenues prior to or on a parity with the charge thereon under this Agreement, (b) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Series 2013 Facilities and (c) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a Lien on the Series 2013 Facilities provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the

Borrower shall be obligated to pay or cause to be paid only such installments as may have become due during the term of this Agreement.

(b) The Borrower may, at its own expense, but only if no Event of Default hereunder has occurred and is continuing, diligently prosecute and in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges contested to remain unpaid during the period of such contest and any appeal therefrom if, in the Opinion of Counsel, the Series 2013 Facilities shall not be subject to loss or forfeiture. In the event that the Borrower is not able to obtain such Opinion of Counsel, such taxes, assessments or charges shall be paid promptly or secured by posting a bond equal to one and one half times the amount at issue with the Trustee in form satisfactory to the Trustee. The Authority at the expense of the Borrower shall cooperate fully with the Borrower in any such contest. In the event that the Borrower shall fail to pay or cause to be paid any of the foregoing items required by this Section to be paid by the Borrower, the Authority or the Trustee may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the Authority or the Trustee shall become an additional obligation of the Borrower payable to the one making the advance, which amount the Borrower agrees to pay or cause to be paid on demand together with interest thereon at a rate which shall be 3% per annum above the highest rate of interest borne by the Bonds or the maximum rate permitted by law if less than such rate.

The Borrower will do, or cause to be done, all things required by the appropriate government authority to obtain and maintain exemption from payment of real property taxes.

Section 6.3 Insurance Required; Insurance Company Ratings; Insurance Certificate to be Delivered to Trustee. Throughout the term of this Agreement, the Borrower shall keep or cause the Facilities to be kept insured against the following risks, paying as the same become due and payable all premiums with respect thereto:

(a) A mortgagee's title insurance policy in an amount equal to the original principal amount of the Bonds in a form acceptable to the Authority and the Trustee, as required by Section 4.9 herein.

(b) Insurance against loss or damage to the Facilities and all improvements therein (including, during any period of time when the Lessee are making alterations, repairs or improvements to the Facilities, improvements and betterments coverage), all subject to standard form exclusions, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State, in an amount equal to the full replacement value of the Buildings or the aggregate principal amount of the Bonds then Outstanding (if available in that amount), whichever is greater, subject to availability.

(c) Commercial general liability, professional liability and automobile liability insurance against claims arising in, on or about the Facilities, including in, on or about the sidewalks or premises adjacent to the Facilities, providing coverage limits not less than the coverage limits customarily carried by owners or operators of facilities of similar size and character within the State.

(d) Fidelity insurance or bonds on those of its officers and employees who handle funds of the Lessee, both in such amounts and to such extent as are customarily carried by organizations similar to the Lessee and operating properties similar in size and character to the facilities of the Lessee.

(e) Rental value insurance covering all risks as to which insurance is required pursuant to (b) above, in an amount equal to not less than the amounts required to be paid pursuant to Section 5.1(a) hereof for a period of not less than 12 months. If any such loss or damage has occurred, the Borrower shall continue to be obligated to pay the amounts required to be paid pursuant to Section 5.1(a) hereof, and any proceeds of such insurance shall be applied against all or part of such payment obligations of the Borrower.

(f) If the Facilities are in an area which has been, or is at any time during the term of this Agreement, identified by the Director of the Federal Emergency Management Agency (or a like successor agency) as being in a special flood or mud slide hazards area, and in which area the sale of flood insurance has been made available under The National Flood Insurance Act of 1968 (a "Flood Zone"), flood insurance shall be provided in an amount not less than the greater of the aggregate amount of (i) the aggregate principal amount of all of the Outstanding Bonds or (ii) one hundred percent (100%) of the insurable replacement value of the Facilities (but in no event more than the amount of such flood insurance which is reasonably available to the Borrower or the Lessee). If any building or other improvement comprising part of the Facilities is not in an area identified as a Flood Zone, the Borrower shall provide or cause to be provided evidence of the same to the Trustee in a form satisfactory to the Trustee, and thereafter, notwithstanding the foregoing, the Borrower shall only be required to obtain or cause to be obtained flood insurance in the greater of (x) the aggregate principal amount of all Outstanding Bonds and (y) one hundred percent (100%) of the insurable replacement value of the buildings and other improvements comprising part of the Facilities which are located in the Flood Zone (but in no event more than the amount of such flood insurance which is reasonably available to the Borrower or the Lessee).

(g) Such other forms of insurance as are customary in the industry or as the Borrower or the Lessee are required by law to provide with respect to the Facilities, including, without limitation, any legally required worker's compensation insurance and disability benefits insurance.

All the insurance coverage required by this Section 6.3(b) may be subject to deductible clauses in such amounts as are customary for facilities of similar size, type and character within the State.

All policies maintained (or caused to be maintained) by the Borrower pursuant to this Section 6.3(b) shall be taken out and maintained with generally recognized, responsible insurance companies rated not less than "A" by A.M. Best, authorized in the State, which may include "captive" insurance companies or governmental insurance pools, selected by the Borrower. The insurance policies required by subsections (i), (ii) and (iii) of this Section shall name the Trustee, the Authority and the Borrower as insureds as their respective interests may appear (provided that with respect to insurance maintained pursuant to subsections (ii) and (vi) of this Section and Section 4.9 herein, the Trustee shall also be named as a mortgagee under the terms of a standard State mortgagee loss payable endorsement), and the Trustee shall also be named as an additional insured on the policy required by subsection (iii) of this Section 6.3(b), and, provided further that all insurance proceeds for losses, and except for worker's compensation, fidelity insurance and liability insurance, shall be paid directly to the Trustee. Such policies or certificates of insurance shall (i) provide that (except as to insurance required pursuant to subsection (vi) of this Section 6.3(b)) the insurer will mail 30 days' written notice to the Authority and the Trustee of any reduction in amount, material change in coverage or cancellation prior to expiration of such policy, and (ii) be satisfactory in all other respects to the Authority.

The Borrower shall deliver or cause to be delivered to the Trustee (a) in the event the Lease Agreement is terminated, the certificate of insurance which the Borrower or the Lessee are then required to maintain pursuant to this subsection (b), together with written evidence attesting as to the payment of all premiums then due thereon, and (b) promptly upon request by the Authority or the Trustee, but in any case within 90 days after the end of each Fiscal Year, a certificate of an Authorized Representative of the Borrower certifying that such insurance policies are in full force and effect, that such policies comply with the provisions of this Section and that all premiums then due thereon have been paid.

Section 6.4 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to Section 6.3(b)(i) hereof shall be applied as provided in Section 7.1(b) hereof. The Net Proceeds of the insurance carried pursuant to Section 6.3(b)(ii) hereof shall be applied as provided in Section 7.1(b) hereof. The Net Proceeds of insurance carried pursuant to subsections (iii) and (iv) of Section 6.3(b) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds have been paid.

Section 6.5 Advances by Authority or Trustee. In the event the Borrower shall fail to maintain or cause to be maintained the full insurance coverage required by this Agreement or shall fail to keep or cause the Facilities to be kept in the condition required hereby (except as otherwise herein permitted), the Authority or the Trustee may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same, or make the required repairs, renewals and replacements; and all

amounts advanced therefor by the Authority or the Trustee shall become an additional obligation of the Borrower under this Agreement to the one making the advance, which amounts the Borrower agrees to pay or cause to be paid on demand together with interest thereon at a rate which shall be 3% per annum above the highest interest rate borne by any of the Bonds or the maximum rate permitted by law if less than such rate.

Section 6.6 Environmental Indemnity. In addition to the indemnification set forth in Section 8.6 hereof:

(a) Borrower and its successors and assigns, shall and do hereby indemnify and hold harmless the Authority Indemnified Parties, the Registered Owners, the Beneficial Owners and the Trustee, their successors, assigns, trustees, directors, officers, employees, agents, contractors, subcontractors, licensees, and invitees (collectively referred to in this Section 6.6 as “Indemnified Parties”), for, from and against any and all Environmental Damages that the Indemnified Parties may incur as well as any and all loss, costs, damages, exemplary damages, natural resources damages, Liens, and expenses, (including, but not limited to, attorneys’ and paralegals’ fees and any and all other costs incurred in the investigation, defense and settlement of claims) that Indemnified Parties may incur as a result of or in connection with the assertion against Indemnified Parties, or against all or a portion of the Facilities, of any claim, civil, criminal or administrative, which:

(i) arises out of the actual, alleged or threatened discharge, dispersal, release, storage, treatment, generation, disposal or escape of any Regulated Chemical, including, but not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, medical waste and waste (including materials to be recycled, reconditioned or reclaimed); or

(ii) actually or allegedly arises out of the use of any Regulated Chemical, the existence or failure to detect the existence or proportion of any Regulated Chemical in the soil, air, surface water or groundwater, or the performance or failure to perform the abatement or removal of any Regulated Chemical or of any soil, water, surface water or groundwater containing any Regulated Chemical; or

(iii) arises out of the actual or alleged existence of any Regulated Chemical on, in, under, or affecting all or a portion of the Facilities; or

(iv) arises out of any misrepresentations of Borrower concerning any matter involving Regulated Chemicals or Environmental Requirements; or

(v) arises out of Borrower’s failure to provide or to cause the Lessee to provide all information, make or cause to be made all submissions and filings, and take or cause to be taken all steps required by

appropriate government authority under any applicable environmental law, regulation, statute or program, whether federal, state or local, whether currently existing or hereinafter enacted.

Without prejudice to the survival of any other agreements of the Borrower hereunder, this indemnification shall survive any termination, payment, or satisfaction of the indebtedness and the termination of this Agreement, and any foreclosure or any other transfer of any kind of the Facilities and shall continue and survive ad infinitum.

Borrower's indemnification contained herein shall be effective not only with any existing Environmental Requirements affecting the Borrower, Indemnified Parties and/or the Facilities, but also for any hereinafter enacted environmental law, regulation, statute or program, whether federal, state or local affecting Borrower, Indemnified Parties and/or the Facilities.

Borrower's indemnification contained herein shall extend to any and all like claims which arise from the acts or omissions of Lessor, Lessee or any user, tenant, lessee, agent or invitee of Borrower, Lessor or Lessee.

The obligations under this Section shall not be affected by any investigation by or on behalf of Indemnified Parties, or by any information which Indemnified Parties may have or obtain with respect thereto.

Borrower's indemnification shall include the duty to defend any and all claims, and Indemnified Parties may participate in the defense of any claim without relieving Borrower of any obligation hereunder. This duty to defend shall apply and constitute an obligation of Borrower regardless of any challenge by Borrower to this provision, the indemnification contained herein, or any other provision of this Agreement. This duty to defend shall apply regardless of the validity of Borrower's indemnification, as may ultimately be determined by a court of competent jurisdiction.

Notwithstanding anything to the contrary contained in this Section 6.6, no indemnification shall be required for any Environmental Damage incurred solely as the result of the gross negligence or willful misconduct of the party seeking indemnification or Environmental Damage caused by or through the party seeking indemnification.

Section 6.7 Environmental Covenants.

(a) Use of Facilities. The Borrower will not intentionally or unintentionally conduct, or allow to be conducted, any business, operation, or activity on, under, or in the Facilities, or employ or use the Facilities or allow for it to be employed or used, to manufacture, transport, treat, store, or dispose of any Regulated Chemical which would violate or potentially violate Environmental Requirements, including, but not limited to, any action which would:

(i) bring the Borrower, or the Facilities, within the ambit of, or otherwise violate, the Resource Conservation and Recovery Act of 1976,

as amended by the Solid and Hazardous Waste Amendments of 1984, 42 U.S.C. §§ 6901, et seq.;

(ii) cause, or allow to be caused, a release or threat of release, of hazardous substances on, under, in, or about the Facilities as defined by, and within the ambit of, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601, et seq.;

(iii) violate the Clean Air Act of 1970, as amended, 42 U.S.C. §§ 7401, et seq., or other similar state, regional or local statute, law, regulation, rule or ordinance, including without limitation, the laws of the State, or any other statute providing for the financial responsibility for cleanup for the release or threatened release of substances provided for thereunder.

The Borrower will not do or permit any act or thing, business or operation, that materially increases the dangers, or poses an unreasonable risk of harm, or impairs, or may impair, the value of the Facilities, or any part thereof.

(b) Maintenance of Facilities. The Borrower shall cause the Facilities to be maintained free from contamination by Regulated Chemicals and shall not intentionally or unintentionally allow a release, discharge or emission, or threat of release, discharge or emission, of any Regulated Chemical on, under, in or about the Facilities, and shall not permit the migration or threatened migration from other properties upon, about or beneath the Facilities.

(c) Notice of Environmental Problem. Borrower (provided that the Borrower shall only forward to the Trustee those notices, letters, citations, orders, warnings, complaints, inquiries, claims or demands actually received by the Borrower) and/or any tenant and/or sublessee shall promptly provide or cause to be provided a copy to Trustee and the Authority, and in no event later than 15 days from Borrower's and/or Lessee and/or any tenants' and/or sublessee's receipt or submission, of any notice, letter, citation, order, warning, complaint, inquiry, claim or demand that:

(i) the Borrower and/or the Lessee, any tenants or sublessee has violated, or are about to violate, any federal, state, regional, parish or local environmental, health, or safety statute, law, rule, regulation, ordinance, judgment or order;

(ii) there has been a release, or there is a threat of release, of any Regulated Chemical from the Facilities;

(iii) the Borrower and/or the Lessee, any tenants or sublessee may be or are liable, in whole or in part, for the costs of cleaning up, remediating, removing or responding to a release of any Regulated Chemical;

(iv) any portion of the Facilities is subject to a Lien in favor of any governmental entity for any liability, costs or damages, under Environmental Requirements arising from, or costs incurred by such governmental entity in response to, a release of any Regulated Chemical.

(d) Response Action. The Borrower shall take or cause to be taken all appropriate responsive action, including any removal and remedial action (“Response Action”), in the event of a release, emission, discharge or disposal of any Regulated Chemical in, on, under or about the Facilities, so as to remain in compliance with the above, and to keep or cause the Facilities to be kept free from, and unaffected by, Regulated Chemicals. The Borrower shall (i) provide Trustee, within 10 days after providing the notice required under Section 6.7(c) above, with a bond, letter of credit or similar financial assurance which is equal to the cost of the Response Action and which may be drawn upon by the Trustee for the purpose of completing the Response Action if an Event of Default occurs or if the Response Action is not completed within six (6) months of the issuance of the financial assurance and (ii) discharge any assessment, Lien or encumbrance which may be established on the Facilities as a result thereof.

(e) No Liens or Encumbrances. The Borrower shall prevent or cause to be prevented the imposition of any Liens or encumbrances against the Facilities for the costs of any response, removal, or remedial action or cleanup of any Regulated Chemicals. Should such a Lien or encumbrance be levied on the Facilities, the Borrower shall follow the procedure set forth in subsection (d) above.

(f) Compliance with Environmental Requirements. The Borrower shall cause the business and operations at the Facilities to be carried on so as to comply in all respects and to continue to remain in compliance with all applicable Environmental Requirements and maintain all permits and licenses required thereunder.

(g) Additional Environmental Reports. As long as there are any Bonds Outstanding, the Borrower shall provide the Trustee and the Authority with a copy of any Environmental Report performed during that time.

Section 6.8 Additional Environmental Provisions.

(a) Right to Notify Agencies. To the extent the Trustee receives written notice, whether from the Borrower or any other party, stating that the Borrower is in violation of any environmental law, statute, regulation, ordinance, rule or order, whether federal, state, or local, or that there has been a release or threat of release of any Regulated Chemical from or upon the Facilities, and the Trustee determines that such notice requires notification to the respective governmental agency(ies), the Trustee retains the right to so notify the respective agency(ies). The Trustee agrees to make written demand upon the Borrower, as circumstances may require, to notify the respective agency(ies), however, the

Trustee retains the right to separately notify the respective agency(ies), and the Borrower shall have no cause of action against the Trustee as a result of any such notification.

(b) Right of Inspection.

(i) Trustee at any time and from time to time, with reasonable cause and notice, either prior to or after the occurrence of any Event of Default hereunder may require the Borrower to submit to the Trustee within 90 days of either the notice required under Section 6.7(c) hereof or a written request from the Trustee, a written report of a site assessment and environmental audit (“Environmental Assessment”), in scope, form and substance, and prepared by an independent, competent and qualified engineer, satisfactory to the Trustee, showing that the engineer made all appropriate inquiry consistent with good commercial and customary practice, such that consistent with generally accepted engineering practice and procedure, no evidence or indication came to light which would suggest there was a release of substances on, under, in, or about any Facilities which could necessitate an environmental response action, and which demonstrates that the Facilities complies with, and does not deviate from, all applicable environmental statutes, laws, ordinances, rules and regulations, including any licenses, permits or certificates required thereunder, and that the Borrower is in compliance with, and has not deviated from, the representations and warranties set forth in Sections 2.7 and 6.7 hereof.

(ii) The Borrower hereby grants, and will cause any tenants or users of the Facilities to grant, to Trustee and the Authority, their agents, attorneys, employees, consultants and contractors, upon reasonable notice, and under reasonable conditions established by Borrower, which do not impede the performance of the Environmental Assessment, an irrevocable license and authorization to enter upon and inspect the Facilities, and perform such sampling, tests, and analysis (“Tests”) including without limitation, subsurface testing, soils and groundwater testing, and other tests which may physically invade the Facilities, as the Trustee, the Authority or their agent determines is necessary.

(iii) Borrower will cooperate with the consultants and supply to the consultants such historical and operational information as may be reasonably requested by the consultants, together with any notices, permits or other written communications pertaining to violations of Environmental Requirements and any and all necessary information and make available personnel having knowledge of such matters as may be required by the Trustee, Trustee’s agents, consultants and engineers to complete an Environmental Assessment.

(iv) Should the Borrower fail to perform an Environmental Assessment within the time period set forth in this Section 6.8(b)(i) hereof, Trustee shall have the right but not the obligation to retain an environmental consultant to perform said Environmental Assessment. Trustee shall have no liability for failure to retain such consultant.

(v) The cost of performing any Environmental Assessment shall be paid by the Borrower upon demand of Trustee and any such obligations shall be included in the indebtedness.

(c) Event of Default. If an Environmental Assessment reveals any violations of Environmental Requirements (other than violations, if any, revealed to the Authority and the Trustee in writing prior to the date hereof or in any Environmental Assessment provided to the Authority and the Trustee prior to the date hereof) or the Borrower receives a notice of a violation of Environmental Requirements, and the Borrower fails to cure the violation in the time period and the manner specified in Section 10.1(c) hereof, such action will constitute an Event of Default.

(d) No Assumption of Risk. The Trustee's rights under this Section shall be exercised by it in its sole discretion and not for the benefit of the Borrower. The Trustee shall have no obligation (unless directed and indemnified as provided in the Indenture) to enter into the Facilities thereon or to take any other action which is authorized by this Article for the protection of its security interest. The Borrower specifically agrees and acknowledges that any action permitted under this Section shall not be construed to be the management or control of the Facilities by the Trustee.

ARTICLE VII DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1 Damage, Destruction and Condemnation. In the event of a casualty or condemnation with respect to the Facilities and so long as no Event of Default exists and is continuing, the proceeds from any insurance policy or the proceeds of any condemnation award resulting from such casualty or condemnation, shall be used to repair or replace the portion of the Facilities damaged, destroyed or taken or to prepay the Loan in accordance with the terms hereof in accordance with the following provisions:

(a) In the event of a casualty or condemnation that results in an award less than or equal to \$100,000 (which amount shall be increased as of each July 1 by a percentage equal to the past year's increase in the Consumer Price Index for Los Angeles County (the "CPI Adjustment") as provided by the Borrower to the Trustee by evidence reasonably acceptable to the Trustee) from any insurance policy or condemnation awards, such proceeds shall be paid directly to the Borrower to provide for the repair, replacement or restoration of the Facilities to substantially the same condition as it was prior to such damage, destruction or condemnation.

(b) Whenever such Net Proceeds from any insurance policy or condemnation award are greater than \$100,000 (plus the applicable CPI Adjustment), such Net Proceeds shall be paid to the Trustee and held in the Repair and Replacement Fund to be applied to repair, replace or restore the Facilities or, if the Borrower chooses not to repair or rebuild the Facilities per subsection (c) hereof, to the prepayment of the Loan as provided in Section 7.2. The Net Proceeds deposited into the Repair and Replacement Fund from such insurance policy or condemnation award, but excluding those deposits required by paragraph EIGHTH of Section 3.22 of the Indenture, shall be disbursed by the Trustee periodically at the request of the Borrower for the repair, restoration or replacement of the Facilities upon the receipt by the Trustee from the Borrower of (i) a Consulting Architect's Certificate which substantially states that such repairs, replacements or restorations will restore the Facilities to substantially its original condition, will be completed in accordance with plans and specifications previously provided to the Trustee, and that such repairs, replacements or restorations when completed in accordance with the plans and specifications previously furnished to the Trustee will comply with all applicable statutes, codes and regulations; (ii) a certificate of an Authorized Representative of the Borrower stating that sufficient moneys are available in the Repair and Replacement Fund to pay for such repair, restoration or replacements to be completed and together with other available Pledged Revenues, to pay debt service on the Bonds and Operating Expenses of the Facilities during the restoration period; (iii) requisitions and certificates from the Borrower substantially similar to those specified in a disbursing agreement; (iv) applicable Lien waivers; (v) a guaranteed maximum price construction contract; (vi) evidence of the existence of performance and payment bonds therefore; and (vii) evidence that the Borrower or the Lessee have acquired all permits and licenses necessary for such construction; and, if such net proceeds are in excess of \$250,000, in addition to those requirements listed in (i) through (vi) above, (A) an endorsement to the applicable title insurance policy insuring the continued priority of the Lien of the Mortgage; and (B) an opinion of Bond Counsel to the effect that neither such repairs, replacements nor restorations nor such use of such casualty or condemnation proceeds adversely affects the exclusion from gross income for federal income tax purposes of interest on any Tax-Exempt Bonds or the status of the Series 2013 Bonds as Qualified School Construction Bonds. The Trustee shall retain 5% of the requested disbursements to be disbursed upon final completion of the repairs, replacements, restorations or improvements as certified by the Consulting Architect and receipt of certificates of occupancy, waivers of Liens and, if such net proceeds are in excess of \$250,000, an endorsement to the title policy for the Facilities insuring the continued priority of the Mortgage. If at any time during the restoration, the insurance or casualty proceeds are less than the estimated costs to restore, repair or replace the Facilities, the Borrower shall provide or cause the Trustee to be provided with cash or cash equivalents in an amount equal to the shortfall. If after completion of any such repairs, replacements, or improvements any funds remain in the Repair and Replacement Fund which exceed the Repair and Replacement Reserve Requirement, the

remaining funds shall be transferred by the Trustee to the Bond Interest Fund and Bond Principal Fund, accordingly, and used to prepay the Loan and to redeem Bonds pursuant to the provisions of Section 7.2 of this Agreement and Section 5.2 of the Indenture. Notwithstanding the above provisions, all proceeds of business interruption insurance shall be paid to the Trustee and deemed to be Pledged Revenues for purposes of this Agreement, including, without limitation, Section 5.1 hereof.

(c) Notwithstanding any of the foregoing, if net proceeds from the casualty or condemnation of all or any portion of the Facilities exceed \$100,000, and the Loan is not otherwise to be prepaid pursuant to Section 7.2 hereof, the Borrower shall immediately notify the Trustee and the Beneficial Owners regarding such casualty or condemnation and shall, no later than 30 days following the occurrence of the events resulting in the casualty or condemnation, notify the Trustee in writing whether or not the Borrower intends to repair and/or rebuild the Facilities. If the Borrower does not intend to repair and/or rebuild the Facilities, the Trustee shall cause such insurance proceeds to be used to prepay the Loan as provided in Section 7.2 hereof. If the Borrower intends to repair and/or rebuild the Facilities, said notice from Borrower shall contain the following additional information, together with a statement from the Borrower certifying to the accuracy of such information:

(i) a description of the damaged, destroyed or taken portion of the Facilities;

(ii) the estimated time to complete repair, replacement or restoration of the damaged, destroyed or taken portion of the Facilities, as determined by a qualified independent contractor retained by the Borrower or the Lessee;

(iii) the total estimated cost of such replacement, repair or restoration, as determined by a qualified independent contractor retained by the Borrower or the Lessee; and

(iv) the source of funds the Borrower has available (including, but not limited to, insurance proceeds), to complete the repair, replacement or restoration and to make payments due under this Agreement during the period of repair, replacement or restoration.

Section 7.2 Mandatory Prepayment from Insurance or Condemnation Proceeds. The Promissory Notes are subject to mandatory prepayment as a whole or in part at the principal amount thereof plus accrued interest thereon to the date of prepayment, but without premium, from the Net Proceeds of any insurance policy or condemnation award remaining after the repair, replacement, or improvement of the Facilities, if one or more of the events set forth in Section 5.2 of the Indenture are applicable to the Borrower and Bonds are required to be redeemed pursuant to Section 5.2 of the Indenture. The prepayment date shall be the earliest practicable dated selected

by the Trustee and any such prepayment shall be applied as provided in Section 5.2 of the Indenture.

Section 7.3 [Reserved].

Section 7.4 No Change in Loan Payments; No Liens. All buildings, improvements and equipment acquired in the repair, rebuilding or restoration of the Project shall be deemed a part of the Project and shall be available for use and occupancy by the Lessee, without the payment of any payments hereunder other than the Loan Payments and other payments required to be made under this Agreement, to the same extent as if they were specifically described herein; provided that no buildings, improvements or equipment shall be acquired subject to any Lien or encumbrance other than Permitted Encumbrances.

Section 7.5 Investment of Net Proceeds. Any Net Proceeds of insurance payments or condemnation awards held by the Trustee pending restoration, repair or rebuilding shall be invested in Investment Obligations in the same manner as provided in Section 6.1 of the Indenture. Any earnings or profits on such investments shall be considered part of the Net Proceeds.

ARTICLE VIII SPECIAL COVENANTS

Section 8.1 No Warranty of Condition or Suitability by the Authority. The Authority makes no warranty, either express or implied, as to the Project or that it will be suitable for the Borrower's purposes or needs or that the proceeds of the Bonds will be sufficient to pay the Cost of the Project.

Section 8.2 Consolidation, Merger, Sale or Conveyance. The Borrower agrees that during the term of this Agreement it will maintain its corporate existence, will continue to be a [limited liability company organized for nonprofit purposes] and duly qualified to do business in the State, will not merge or consolidate with, or sell or convey, except as provided in Section 8.11 hereof, all or substantially all of its assets to, any Person unless the provisions of (a) and (b) below have been met:

- (a) with respect to Borrower;
 - (i) no Event of Default has occurred and is continuing and
 - (ii) Borrower first acquires the consent of the Authority to such transaction and provides to the Trustee notice of its intent at least 90 days in advance of such consolidation, merger, sale or conveyance;
 - (iii) Borrower shall provide the Authority and the Trustee with an opinion of Bond Counsel acceptable to the Authority to the effect that such merger, consolidation, sale or conveyance, would not adversely affect the validity of any of the Bonds, the exclusion from gross income for federal income tax purposes of interest on any tax-exempt Bonds, or

the status of the Series 2013 Bonds as Qualified School Construction Bonds;

(iv) Borrower shall provide the Authority and the Trustee with an Opinion of Counsel to the Borrower (which may be rendered in reliance upon the Opinion of Counsel to such other corporation), stating that none of the other corporations which are a party to such consolidation, merger or transfer has any pending litigation other than that arising in the ordinary course of business or, has any pending litigation which might reasonably result in a substantial adverse judgment. For the purposes of the preceding sentence, the term "substantial adverse judgment" shall mean a judgment in an amount which exceeds the insurance or reserves therefor by a sum which is more than 2% of the aggregate net worth of the resulting, surviving or transferee corporation immediately after the consummation of such consolidation, merger or transfer and after giving effect thereto;

(v) The Borrower, in the case of a consolidation, merger, sale or conveyance, shall provide evidence to the Trustee and the Authority that the entity will continue to cause the Project to be operated as a charter school in accordance with the Charter School Law, as amended and that the entity is entitled to receive payments under the Lease.

(b) and, with respect to the acquirer of such assets or the entity with which it shall be consolidated or the resulting entity in the case of a merger (the "Successor"):

(i) the Successor shall assume in writing the performance and observance of all covenants and conditions of this Agreement; and

(ii) the Successor shall deliver to the Trustee within 30 days of the close of such transaction, copies of all documents executed in connection therewith, one document of which shall include an Opinion of Counsel to the Borrower that all conditions in this Agreement have been satisfied and that all liabilities and obligations of the Borrower under the Borrower Documents shall become obligations of the Successor; provided, however, the Borrower shall not be released from the same.

Section 8.3 Further Assurances. The Authority and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Agreement, subject, however, to the terms and conditions of Section 10.6 of the Indenture.

Section 8.4 Audits. The Borrower agrees that it will have its books and records audited annually, commencing with the Fiscal Year ending June 30, 2013, in

accordance with State law as soon as practicable but no later than 180 days after the close of such Fiscal Year, and shall furnish to the Authority, the Trustee and the Dissemination Agent within 180 days after the end of each Fiscal Year, a copy (which may be sent electronically) of the audit report. The Borrower will notify the Authority, the Registered Owners and the Trustee in writing of a change in its Accountant stating the reasons for such change.

Section 8.5 Financial Statements; Reports; Annual Certificate.

(a) Maintenance of Books and Accounts. The Borrower agrees that it will maintain and make available to the Beneficial Owners, the Authority and the Trustee proper books of records and accounts of all of its operations with full, true and correct entries of all of its dealings substantially in accordance with practices generally used for public school accounting and such other data and information as may reasonably be requested by the Authority, the Beneficial Owners and the Trustee from time to time.

(b) Borrower Report. Further, the Borrower will deliver to the Trustee and the Authority within 180 days after the end of the Borrower's Fiscal Year a certificate executed by the president or chief financial officer of the Sole Member of the Borrower stating that:

(i) A review of the activities of the Borrower during such Fiscal Year and of performance hereunder has been made under his/her supervision; and

(ii) He/She is familiar with the provisions of the Borrower Documents and to the best of his/her knowledge, based on such review and familiarity, the Borrower has fulfilled all of its obligations thereunder throughout the Fiscal Year, and there have been no defaults under the Borrower Documents or, if there has been a default in the fulfillment of any such obligation in such Fiscal Year, specifying each such default known to him/her and the nature and status thereof and the actions taken or being taken to correct such default.

(c) Change in Senior Management. The Borrower will promptly furnish to the Trustee notice of any change in the senior management of the Borrower.

(d) Unaudited Financial Statements. The Borrower shall provide to the Trustee on or before the 45th day after the close of each of its fiscal quarters (commencing with the fiscal quarter commencing [____ 1, 2013]) unaudited, internally-prepared financial statements of the Borrower, including a balance sheet and statement of profit and loss. Such financial statements should reflect revenues and expenses in comparative form with the operating budget.

(e) Operating Budget. On or before the start of the Borrower's Fiscal Year, the Borrower shall provide to the Trustee, the annual operating budget of

the Borrower for the next Fiscal Year, as approved by the board of directors of the Borrower and a copy of subsequent revisions, if any, to the Borrower's annual operating budget within two weeks of adoption by the board of directors of the Borrower.

(f) Meeting Minutes. The Borrower shall provide to the Trustee, within 30 days of receipt, meeting minutes of the board of directors of the Borrower, including any updates regarding the construction of the Series 2013 Project.

The Trustee shall transmit the information received from the Borrower under Sections 8.4 and 8.5 to each Beneficial Owner who has certified to the Trustee its beneficial ownership of the Bonds. The Trustee shall have no duty hereunder regarding such information other than to retain any such information that it receives and to transmit same in accordance herewith.

Section 8.6 Release and Indemnification Covenants.

(a) The Borrower agrees to pay, defend, protect, indemnify, and hold each of the Authority Indemnified Parties and the Trustee, its officers, directors, employees and agents (the "Trustee Indemnified Parties") harmless for, from and against (i) any and all Liabilities directly or indirectly arising from or relating to the Loan, this Agreement, the Project, the Mortgage, and the Tax Certificate, and (ii) any and all Liabilities directly or indirectly arising from or relating to the Bonds, the Indenture, or any document related to the issuance and sale of the Bonds, including, but not limited to, the following:

(i) Any injury to or death of any person or damage to property in or upon the Project or growing out of or connected with the use, non-use, condition, or occupancy of the Project or any part thereof;

(ii) Violation of any agreement, covenant, or condition of any of the Borrower Documents;

(iii) Violation of any agreement, contract, or restriction relating to the Project;

(iv) Violation of any law, ordinance, or regulation affecting the Project or any part thereof or the ownership, occupancy, or use thereof;

(v) the issuance and sale of the Bonds or any of them; and

(vi) Any statement, information, or certificate furnished by the Borrower to the Authority or the Trustee which is misleading, untrue, incomplete, or incorrect in any respect.

(b) The Borrower also agrees to pay, defend, protect, indemnify, and hold each of the Authority Indemnified Parties and the Trustee Indemnified

Parties harmless for, from, and against any and all Liabilities directly or indirectly arising from or relating to (i) any errors or omissions of any nature whatsoever contained in any legal proceedings or other official representation or inducement made by or to the Authority pertaining to the Bonds, and (ii) any fraud or misrepresentations or omissions contained in the proceedings of the Authority relating to the issuance of the Bonds or pertaining to the financial condition of the Borrower which, if known to the original purchaser of the Bonds, might be considered a factor in such Person's decision to purchase the Bonds.

(c) Paragraphs (a) and (b) above are intended to provide indemnification to each Authority Indemnified Party and Trustee Indemnified Party for his or her active or passive negligence or misconduct; provided, however, nothing in paragraphs (a) and (b) above shall be deemed to provide indemnification to any Authority Indemnified or any Trustee Indemnified Party with respect to any Liabilities arising from the successful allegation of fraud, gross negligence, or willful misconduct of such party.

(d) Any party entitled to indemnification hereunder shall notify the Borrower of the existence of any claim, demand, or other matter to which the Borrower's indemnification obligation applies, and shall give the Borrower a reasonable opportunity to defend the same at its own expense and with counsel satisfactory to the Authority Indemnified Party and Trustee Indemnified Party, as applicable, provided that the Authority Indemnified Party and Trustee Indemnified Party shall at all times also have the right to fully participate in the defense. If the Authority Indemnified Party or Trustee Indemnified Party is advised in an Opinion of Counsel that there may be legal defenses available to either of them which are different from or in addition to those available to the Borrower or if the Borrower shall, after receiving notice of the Borrower's indemnification obligation and within a period of time necessary to preserve any and all defenses to any claim asserted, fails to assume the defense or to employ counsel for that purpose satisfactory to the Authority Indemnified Party and Trustee Indemnified Party, as applicable, the Authority Indemnified Party and Trustee Indemnified Party, as applicable, shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk of, the Borrower. The Borrower shall be responsible for the reasonable counsel fees, costs, and expenses of the Authority Indemnified and Trustee Indemnified Party in conducting its defense.

Notwithstanding the foregoing, the Borrower shall not be considered an "Indemnified Party" for purposes of this Section.

Section 8.7 Authority of Authorized Representative of the Borrower. Whenever under the provisions of this Agreement or the Indenture the approval of the Borrower is required, or the Authority or the Trustee is required to take some action at the request of the Borrower, such approval or such request shall be made by the Authorized Representative of the Borrower unless otherwise specified in this Agreement

or the Indenture. The Authority or the Trustee shall be authorized to act on any such approval or request and the Borrower shall have no complaint against the Authority or the Trustee as a result of any such action taken in accordance with such approval or request. The execution of any document or certificate required under the provisions of this Agreement or the Indenture by an Authorized Representative of the Borrower shall be on behalf of the Borrower and shall not result in any personal liability of such Authorized Representative.

Section 8.8 Authority of Authorized Representative of the Authority. Whenever under the provisions of this Agreement or the Indenture the approval of the Authority is required, or the Borrower or the Trustee is required to take some action at the request of the Authority, such approval or such request shall be made by the Authorized Representative of the Authority unless otherwise specified in this Agreement or the Indenture. The Borrower or the Trustee shall be authorized to act on any such approval or request and the Authority shall have no complaint against the Borrower or the Trustee as a result of any such action taken in accordance with such approval or request. The execution of any document or certificate required under the provisions of this Agreement or the Indenture by an Authorized Representative of the Authority shall be on behalf of the Authority and shall not result in any personal liability of such Authorized Representative.

Section 8.9 Licenses and Qualifications. The Borrower will do, or cause to be done, all things necessary to obtain, renew and secure all permits, licenses and other governmental approvals and to comply, or cause the Lessee to comply, with such permits, licenses and other governmental approvals necessary for operation of the Project as a charter school (subject, however, to Section 8.11 hereof).

Section 8.10 Right to Inspect. Following reasonable notice to the Borrower, at any and all reasonable times during business hours, the Trustee, the Authority, and their duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books and records of the Borrower (excluding records the confidentiality of which may be protected by law), and to make such copies and memoranda from and with regard thereto as may be desired; provided, however, that they shall maintain these books and records in confidence unless required by applicable law to do otherwise and it is necessary to distribute the information to some other third party under applicable law.

Section 8.11 Nonsectarian Use. The Borrower acknowledges that in order for the Bonds to be validly issued and to comply with the Charter School Law, it is necessary that the requirements of the United States Constitution and the Constitution of the State with respect to the establishment and free exercise of religion be satisfied. The Authority has been advised by Bond Counsel that under the law in effect as of the date of issue of the Bonds and as interpreted by the courts, the financing of facilities for a pervasively sectarian school or the financing of nonsecular facilities (e.g., places of religious worship) could be in violation of these constitutional requirements. The Borrower covenants that it will ensure that the Lessee does not operate the charter school in a pervasively sectarian manner for so long as the Bonds are outstanding and that neither the

Lessor or the Lessee will use the proceeds of the Bonds to acquire, construct, install, or refinance any facilities which are intended to be used, other than a de minimis amount, for sectarian purposes. The Borrower will comply with and cause the Lessee to comply with all applicable state and federal laws concerning discrimination on the basis of race, creed, color, sex, sexual orientation, national origin, or religious belief and will respect, permit, and not interfere with the religious beliefs of persons working for the Borrower or the Lessee. The Borrower may rely upon the Opinion of Counsel acceptable to the Authority in order to determine whether it and the Lessee are in compliance from time to time with the covenants contained in this paragraph.

Section 8.12 Limitations on Incurrence of Long-Term Indebtedness. The Borrower shall not incur, assume, guarantee, or otherwise become liable and shall cause the Lessee not to incur, assume, guarantee, or otherwise become liable for any Long-Term Indebtedness without the prior written consent of the Registered Owners of not less than 100% in aggregate principal amount of the Bonds at the time Outstanding.

Section 8.13 Repair and Replacement Fund Deposits. The Borrower hereby covenants that, unless the amount on deposit in the Repair and Replacement Fund equals or exceeds the Repair and Replacement Fund Requirement (in which case no additional deposits are required), the Borrower shall pay or cause to be paid to the Trustee, for deposit to the Repair and Replacement Fund pursuant to Section 3.22 of the Indenture, payments which shall total at least three percent (3%) of the Borrower's budgeted Operating Expenses and Management Fees for the next succeeding Fiscal Year, provided, that, in no instance shall any deposit be required which would result in the balance in the Repair and Replacement Fund exceeding the Repair and Replacement Fund Requirement. If the Trustee notifies Borrower that the amount on deposit in the Repair and Replacement Fund is less than the Repair and Replacement Requirement, the Borrower shall restore or fund the required balance in twelve equal installments commencing with the next succeeding Disbursement Date, provided that, in no instance shall the amount deposited in any one year exceed 0.5% of the Lessee's budgeted Operating Expenses and management fees for the next succeeding Fiscal Year.

Notwithstanding anything in this Section 8.13 to the contrary and for the purpose of determining the Repair and Replacement Fund Requirement, the Borrower shall annually certify or cause the Lessee to annually certify to the Trustee in writing as to the amount of the Borrower's budgeted Operating Expenses for the next succeeding Fiscal Year and the Repair and Replacement Fund Requirement for such year. The Borrower shall provide such certification (i) beginning on the Closing Date and within thirty (30) days after approval of its budgeted Operating Expenses for any succeeding Fiscal Year, but in no event later than June 30th of each year and (ii) in the event any payment is made from the Repair and Replacement Fund in accordance with this Section 3.15 of the Indenture.

Section 8.14 Advance Refundings. If the Borrower causes the Bonds or any portion of them to be advance refunded, the Borrower agrees to seek a rating from S&P or another nationally recognized rating agency on the refunded Bonds (if such advance refunding is anticipated to increase the rating on the refunded Bonds).

Section 8.15 Compliance Notice. Borrower shall, not later than January 15 of each year hereafter, beginning January 15, 2014, file with the Trustee, the Dissemination Agent, and at its request, the Authority, a certificate in the form set forth in Exhibit D hereto.

Section 8.16 Financial Statements and Reports of the Lessee. The Borrower shall provide or cause the Lessee to provide the following items to the Trustee:

(a) Audits. Copies of the Lessee's annual audit reports (commencing with the audit for the Fiscal Year ending June 30, 2013) completed in accordance with State law as soon as practicable but no later than 180 days after the close of such Fiscal Year. At the time the Lessee furnish such audit report to the Trustee, the Borrower shall also cause the Lessee to furnish copies of such audit report to the Authority and the Dissemination Agent, if applicable. The Borrower will cause the Lessee to notify the Authority, the Registered Owners and the Trustee in writing of a change in its Accountant stating the reasons for such change.

(b) Financial Statements; Reports; Annual Certificate.

(i) Reporting Requirements.

(A) On or before the forty-fifth (45th) day after the close of their fiscal quarters (commencing with the fiscal quarter beginning [____ 1, 2013]), the Borrower shall cause the Lessee to furnish to the Trustee:

a. Unaudited, internally-prepared financial statements of the Lessee, including a balance sheet and statement of profit and loss. Such financial statements should reflect revenues and expenses in comparative form with the operating budget;

b. An enrollment report for Lessee, including the current number of students enrolled per school, the number of students on the waiting list per school, attendance percentages per school and the total percentage of students qualifying for the Free and Reduced Lunch Program per school; and

c. Changes, if any, to the senior management, Board of Directors or organizational structure of the Lessee.

(B) On or before the one hundred eightieth (180th) day after the close of each of their fiscal years (commencing with the fiscal year ending June 30, 2013) the Borrower shall cause the Lessee to furnish to the Trustee:

a. Annual financial statements of the Lessee, including a balance sheet, statement of cash flow and statement of profit and loss for the Lessee, prepared in accordance with Generally Accepted Accounting Principles, prepared by an independent certified public accountant acceptable to the Authority.

b. A certificate from the Lessee executed by the chief financial officer of the Lessee stating that:

1. A review of the activities of the Lessee during such Fiscal Year and of performance hereunder has been made under his/her supervision.

2. He/she is familiar with the provisions of the applicable Lease and to the best of his/her knowledge, based on such review and familiarity, the Lessee has fulfilled all of its obligations thereunder throughout the Fiscal Year, and there have been no defaults under the Lease or, if there has been a default in the fulfillment of any such obligation in such Fiscal Year, specifying each such default known to him/her and the nature and status thereof and the actions taken or being taken to correct such default.

3. Confirmation of compliance with all financial covenants set forth in Section 8.17.

4. Confirmation that the Charter Contract with respect to such Lessee is in full force and effect and (if applicable) the renewal status of Charter Contract.

(C) On or before the start of each of their Fiscal Years, the Borrower shall cause the Lessee to furnish to the Trustee the annual operating budget of the Lessee for the next Fiscal Year, as approved by their respective Board of Directors, and a copy of subsequent revisions, if any, to the annual operating budget within two weeks of adoption by the Board of Directors

(D) The Borrower shall cause the Lessee to furnish to the Trustee within fifteen (15) days of issuance by the Lessee (or its agent), true and complete copies of the annual student achievement reports for each Lessee.

(E) Simultaneously with submission to the Authorizer and no later than the date it is due to the Authorizer, the Borrower

shall cause the Lessee to furnish to the Trustee a true and complete copy of any and all reports, documentation and other information required to be furnished by the Lessee pursuant to or in connection with the provisions of their charters or other requirements for the Lessee, including the 20-day attendance report (typically due in October), the P-1 attendance report (typically due in December) and the P-2 attendance report (typically due in April).

(F) Within five (5) days of receipt thereof, the Borrower shall cause the Lessee to furnish to the Trustee a true and complete copy of any and all material correspondence, audits, reports and other documentation received from the Authorizer or its agents/designees pursuant to or in connection with the Lessee, in particular, any notice or report with respect to charter compliance that would allow the Authorizer to begin any process or proceedings towards charter revocation or non-renewal.

(G) Within 30 days of receipt, the Borrower shall cause the Lessee to furnish to the Trustee meeting minutes of the Board of Directors of the Lessee, including any updates regarding the construction of the Project.

(H) Within 30 days of delivery to the Authorizer or the State, the Borrower shall cause the Lessee to deliver to the Trustee, the academic performance index (API) reports required by State law.

(ii) Additional Financial Information. The Borrower shall also deliver, or cause the Lessee to be delivered to the Trustee such other financial information as the Trustee may reasonably request from time to time.

The Trustee shall transmit the information received from the Borrower under Section 8.16 to each Beneficial Owner who has certified to the Trustee its beneficial ownership of the Bonds. The Trustee shall have no duty hereunder regarding such information other than to retain any such information that it receives and to transmit same in accordance herewith.

Section 8.17 Financial Covenants. At all times, the Borrower shall cause the Lessee or the Guarantor, as applicable, to maintain the following financial covenants, all of which shall be calculated in accordance with Generally Accepted Accounting Principles:

(a) School Lease Coverage Ratio. The Borrower shall cause the Lessee to maintain, at all times prior to repayment of the Loan, a Lease Coverage Ratio equal to not less than 1.20 to 1.00, tested annually on the last day of each Fiscal Year commencing as of June 30, 2013, based on a certification from the

Lessee and such supporting documentation and financial statements as shall be provided pursuant to this Agreement or otherwise reasonably requested by the Trustee.

(b) Minimum Fund Balance/Net Asset Covenants. The Borrower shall cause each of the Lessee, so long as any Bonds remain Outstanding, to, in the aggregate:

(i) maintain an unrestricted fund balance/net asset balance in its operating fund which equals not less than an amount calculated as a percentage of the sum of Operating Expenses plus management fees for the prior Fiscal Year as follows:

(A) Such percentage shall be 5.0% for any Fiscal Year if, in the Fiscal Year immediately preceding such Fiscal Year, the total of the Maximum Annual Debt Service of the Lessee plus any similar lease-purchase or loan payment obligations of the Lessee were equal to or less than 10% of Pledged Revenues;

(B) Such percentage shall be 7.5% for any Fiscal Year if, in the Fiscal Year immediately preceding such Fiscal Year, the total of the Maximum Annual Debt Service of the Lessee plus any similar lease-purchase or loan payment obligations of the Lessee were greater than 10% but less than or equal to 15% of Pledged Revenues; and

(C) Such percentage shall be 10.0% for any Fiscal Year if, in the Fiscal Year immediately preceding such Fiscal Year, the total of the Maximum Annual Debt Service of the Lessee plus any similar lease-purchase or loan payment obligations of the Lessee were greater than 15% of Pledged Revenues; and

(ii) maintain cumulative unrestricted cash reserves and/or access to Short-Term Debt of the Lessee sufficient to meet all accrued and unrestricted salary obligations of the Lessee.

Each of the covenants made in this Section 8.17 shall be tested as of June 30 of each year based on the results of the annual audits of the Lessee for such Fiscal Year upon the release of such audit and shall be included in such annual audits. If on any testing date the Lessee's minimum fund balance is below that required as described above by not more than 25%, the Lessee shall retain a minimum of 50% of the Excess Net Revenues until such time as the Lessee is in compliance with the minimum fund balance.

In the event that the Lessee is unable to comply with the requirements of the above covenants within 12 months of the initial non-compliance, or if the unrestricted fund balance/net asset balance shall ever fall more than 25% below the minimum fund balance, then an Event of Default shall be deemed to have occurred under the Lease.

(c) Guarantor Current Ratio. The Borrower shall cause the Guarantor to maintain, at all times prior to repayment of the Loans, a Current Ratio of not less than 1.50 to 1.00, tested annually on the last day of each fiscal year commencing as of June 30, 2013, based on a certification from the Guarantor's chief financial officer and such supporting documentation and financial statements as shall be provided pursuant to this Agreement or otherwise reasonably requested by Trustee.

(d) Guarantor Debt-to-Worth Ratio. The Borrower shall cause the Guarantor to maintain, at all times prior to repayment of the Loans, a Debt-to-Worth Ratio of not more than 3.50 to 1.00, tested annually on the last day of each fiscal year commencing as of June 30, 2013, based on a certification from the Guarantor's chief financial officer and such supporting documentation and financial statements as shall be provided pursuant to this Agreement or otherwise reasonably requested by Trustee.

(e) Guarantor Positive Cash Flow Requirement. The Borrower shall cause the Guarantor to maintain, at all times prior to repayment of the Loan, positive Cash Flow, tested annually on the last day of each fiscal year commencing as of June 30, 2013, based on a certification from the Guarantor's chief financial officer and such supporting documentation and financial statements as shall be provided pursuant to this Agreement or otherwise reasonably requested by Trustee.

(f) Covenant as to Cash on Hand. The Borrower shall cause the Guarantor, on a consolidated basis, to maintain a cash, liquid investment, or accounts receivable balance (provided such accounts receivables are from the State) sufficient to cover at least 60 days of Operating Expenses. The covenant made in this Section 8.17(f) shall be tested quarterly based upon the results of the quarterly unaudited financial statements of the Guarantor distributed pursuant to Section 8.16(b)(i)(A)(a) above and shall be included in such quarterly unaudited financial statements. If on any testing date the balance is less than 60 days but more than 45 days of Operating Expenses as described above, the Guarantor shall have 12 months to cure such noncompliance. If on any testing date the balance is less than 45 days of Operating Expenses as described above, an Event of Default shall be deemed to have occurred hereunder.

ARTICLE IX ASSIGNMENT AND PLEDGING; REDEMPTION OF BONDS

Section 9.1 Creation of Security Interest Hereunder. With respect to the Pledged Revenues and any other collateral pledged hereunder governed by the UCC, this Agreement shall constitute a security agreement between the Borrower as debtor and the Trustee as assignee of the Authority's right and interests in and under this Agreement and the Borrower hereby grants to the Trustee a security interest in the Pledged Revenues.

Section 9.2 Assignment and Pledge by Authority. The Authority shall assign certain of its rights and interests in and under this Agreement, including the Pledged Revenues, to the Trustee pursuant to the Indenture as security for payment of the principal of, premium, if any, and interest on the Bonds. The Borrower hereby consents to such assignment.

Section 9.3 Redemption of Bonds. Upon the agreement of the Borrower to deposit moneys into the Bond Principal Fund and the Bond Interest Fund in an amount sufficient to redeem Bonds subject to redemption, the Trustee, at the written request of the Borrower, shall forthwith take all steps (other than the payment of the money required for such redemption) permitted and necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the then Outstanding Bonds on the redemption date.

Section 9.4 Acknowledgement of the Lease. The parties to this Agreement acknowledge the Lease and the terms and provisions thereof and the Borrower's expectation that some or all of the requirements of this Agreement will be complied with by action of the Lessee pursuant to the Lease and that the Lessee's compliance with the terms and provisions of the Lease will fulfill some or all of the Borrower's requirements under this Agreement; provided, however, such acknowledgements shall not in any way release the Borrower from any of its requirements under this Agreement.

Section 9.5 Assignment of the Lease. The Borrower hereby covenants and agrees that, in connection with the issuance of the Bonds, it shall use its payments received pursuant to the Lease as necessary to make Loan Payments in the amounts necessary to pay principal and interest due on the Bonds and all of its other obligations under this Agreement and the Promissory Notes. The Borrower hereby assigns all of its rights and interests in the Lease (except the Borrower's right to give or receive notices, approvals, consents, requests and other communications) to the Authority. The Authority shall subsequently assign such rights and interests in and under the Lease to the Trustee pursuant to the Indenture as security for payment of the principal of, premium, if any, and interest on the Bonds. The Borrower hereby consents to such assignment.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. The following shall be "Events of Default" under this Agreement (subject to the notice requirements of Section 12.21 herein) and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

- (a) Failure by the Borrower to pay the Loan Payments required to be paid under Section 5.1(a).
- (b) [Reserved].
- (c) Failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed herein other than

as referred to in subsection (a) of this Section hereof, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Borrower by the Authority or the Trustee; provided, with respect to any such failure covered by this subsection (c), no Event of Default shall be deemed to have occurred so long as a course of action adequate in the judgment of the Trustee to remedy such failure shall have been commenced within such 30-day period and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby within ninety (90) days of such occurrence.

(d) The dissolution or liquidation of the Borrower, or failure by the Borrower promptly to contest and have lifted any execution, garnishment, or attachment of such consequence as will impair its ability to meet its obligations with respect to the Facilities or to make any payments under this Agreement. The phrase “dissolution or liquidation of the Borrower,” as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Borrower resulting either from a merger or consolidation of the Borrower into or with another domestic corporation or a dissolution or liquidation of the Borrower following a transfer of all or substantially all of its assets under the conditions permitting such actions contained in Section 8.2 hereof.

(e) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Borrower in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Borrower or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days.

(f) The commencement by the Borrower of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Borrower or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the failure of the Borrower generally to pay its debts as such debts become due, or the taking of corporate action by the Borrower in furtherance of any of the foregoing.

(g) Failure of the Borrower to comply with any covenants contained in the Tax Certificate.

(h) The occurrence of an Event of Default under the Indenture, the Mortgage, the Leases, the Guaranty or any of the Borrower Documents.

(i) Any representation or warranty made by the Borrower herein or made by the Borrower in any statement or certificate furnished by the Borrower either required hereby or in connection with the execution and delivery of this Agreement and the sale and the issuance of the Bonds, shall prove to have been untrue in any material respect as of the date of the issuance or making thereof.

(j) Judgment for the payment of money in excess of \$50,000.00 (which is not covered by insurance) is rendered by any court or other governmental body against the Borrower, and the Borrower does not discharge same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof within 60 days from the date of entry thereof, and within said 60-day period or such longer period during which execution of such judgment shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal while providing such reserves therefor as may be required under Generally Accepted Accounting Principles.

(k) A writ or warrant of attachment or any similar process shall be issued by any court against the Borrower's interest in the Facilities, and such writ or warrant of attachment or any similar process is not released or bonded within 60 days after its entry.

(l) Any of Borrower's representations and warranties herein or in any of the other Borrower Documents with respect to environmental matters are false in any material respect.

(m) The occurrence and continuation of any event of default under any other parity Indebtedness of the Borrower or any agreement in connection with or securing such parity Indebtedness if as a result of such event of default the holder of such parity Indebtedness would have the right to declare the principal thereof to be immediately due and payable.

(n) A termination of the Lessee's charter by the chartering entity pursuant to the Charter School Law.

(o) An event of default has occurred under Lease.

The foregoing provisions of subsection (c) of this Section are subject to the following limitations: if by reason of force majeure the Borrower is unable in whole or in part to carry out its agreements herein contained, other than the obligations on the part of the Borrower contained in Article V and in Sections 4.7, 6.2, 6.3 and 8.6 hereof, the Borrower shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State of California or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricane; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; explosions;

breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Borrower. The Borrower agrees, however, if possible, to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Borrower, and the Borrower shall not be required to make settlement of strikes, lockouts or other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Borrower unfavorable to the Borrower.

Section 10.2 Remedies on Default. If an Event of Default occurs hereunder, then the majority of bondholders must direct the Trustee to pursue a remedy unless such Event of Default is waived as contemplated in Section 10.5 hereof. Whenever an Event of Default referred to in Section 10.1 hereof shall have occurred and is continuing, the Authority, or the Trustee where so provided herein, may, and at the direction of the Owners of majority of all Bonds Outstanding shall, take any one or more of the following remedial steps:

(a) The Trustee (acting as assignee of the Authority) or the Authority (in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in the Indenture, may declare the Loan Payments payable hereunder for the remainder of the term of this Agreement to be immediately due and payable, whereupon the same shall become due and payable.

(b) The Trustee (acting as assignee of the Authority) or the Authority (in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in the Indenture, may exercise the power of sale or foreclosure under the Mortgage on the property subject thereto and may exercise all the rights and remedies of a secured party under the California Uniform Commercial Code with respect thereto and with respect to the Pledged Revenues.

(c) The Trustee (acting as assignee of the Authority) or the Authority (in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in the Indenture, may take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements, or covenants of the Borrower under this Agreement of the Lessee under the Guaranty.

Notwithstanding the foregoing, prior to the exercise by the Authority or the Trustee of any remedy that would prevent the application of this paragraph, the Borrower may, at any time, pay all accrued payments hereunder (exclusive of any such payments accrued solely by virtue of declaration pursuant to subsection (a) of the first paragraph of this Section) and fully cure all defaults, and in such event, the Borrower shall be fully reinstated to its position hereunder as if such Event of Default had never occurred.

In the event that the Borrower fails to make any payment required hereby, the payment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid.

Whenever any Event of Default has occurred and is continuing under this Agreement, the Trustee may, but except as otherwise provided in the Indenture shall not be obligated to, exercise any or all of the rights of the Authority under this Article, upon notice as required to the Authority. In addition, the Trustee shall have available to it all of the remedies prescribed in the Indenture. If the Trustee is not enforcing the Authority's rights in a manner to protect the Authority or is otherwise taking action that brings adverse consequences to the Authority, then the Authority may, without the consent of the Trustee, take whatever action at law or in equity may appear necessary or appropriate to enforce the Authority's Unassigned Rights and to collect all sums then due and thereafter to become due to the Authority under this Agreement.

Any amounts collected pursuant to action taken under the immediately preceding paragraph (other than sums collected for the Authority on account of the Authority's Unassigned Rights, which sums shall be paid directly to the Authority), after reimbursement of any costs incurred by the Authority or the Trustee in connection therewith shall be applied in accordance with the provisions of the Indenture.

If the Authority or the Trustee, shall have proceeded to enforce their rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Authority or the Trustee, then and in every such case, the Borrower, the Authority and the Trustee shall be restored to their respective positions and rights hereunder, and all rights, remedies and powers of the Borrower, the Authority and the Trustee shall continue as though no such proceedings had been taken.

Section 10.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required herein or by applicable law. Such rights and remedies given the Authority hereunder shall also extend to the Trustee, the Beneficial Owners and the Registered Owners of the Bonds, subject to the Indenture.

Section 10.4 Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower should breach any of the provisions of this Agreement and the Authority or the Trustee should employ attorneys or incur other expenses for the collection of Loan Payments or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein contained, the Borrower agrees that it will

on demand therefor pay to the Authority and the Trustee, as the case may be, the reasonable fees of such attorneys and such other reasonable expenses incurred by the Authority and the Trustee. The obligations of the Borrower arising under this Section shall continue in full force and effect notwithstanding the final payment of the Bonds or the termination of this Agreement for any reason.

Section 10.5 Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Authority's rights in and under this Agreement to the Trustee under the Indenture, the Authority shall have no power to waive any Event of Default hereunder without the consent of the Trustee and the Owners of two-thirds in aggregate principal amount of the Bonds Outstanding. Notwithstanding the foregoing, unless otherwise required by the Owners of two-thirds in aggregate principal amount of all Bonds Outstanding, a waiver of an Event of Default under the Indenture or a rescission of a declaration of acceleration of the Bonds and a rescission and annulment of its consequences shall constitute a waiver of the corresponding Event of Default under this Agreement and a rescission and annulment of its consequences; provided, that no such waiver or rescission shall extend to or affect any subsequent or other default hereunder or impair any right consequent thereon.

Section 10.6 Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Authority or the Borrower or any other obligor upon the Bonds or the property of the Authority, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Authority and/or the Borrower for the payment of overdue principal or interest) shall be entitled and empowered, by intervention of such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Bonds then Outstanding and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Owners allowed in such judicial proceeding; and to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

(b) and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Owner to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Owners, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel.

So long as Bonds are outstanding the Trustee is appointed under the terms of the Indenture, and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee, the true and lawful attorney in fact of the respective Owners of the Bonds, with authority to make or file, in the respective names of the Owners of the Bonds or on behalf of all Owners of the Bonds, as a class, any proof of debt, amendment to proof of debt, petition or other documents and to execute any other papers and documents and to do and perform any and all acts and things for and on behalf of all Owners of the Bonds as a class, as may be necessary or advisable in the opinion of the Trustee, in order to have the respective claim of the Owners of the Bonds against the Authority, the Borrower or any other obligor allowed in receivership, insolvency, liquidation, bankruptcy or other proceeding, to which the Authority, the Borrower or any other obligor, as the case may be, shall be a party. The Trustee shall have full power of substitution and delegation in respect of any such powers.

Section 10.7 Treatment of Funds in Bankruptcy. The Borrower acknowledges and agrees that in the event Borrower commences a case under the United States Bankruptcy Code located at 11 U.S.C. §§ 101 et. seq. (the “Bankruptcy Code”) or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code: (i) amounts on deposit in any of the Funds are not, nor shall they be deemed to be, property of Borrower’s bankruptcy estate as defined by § 541 of the Bankruptcy Code; (ii) that in no event shall Borrower assert, claim or contend that amounts on deposit in any of the Funds are property of Borrower’s bankruptcy estate; and (iii) that amounts on deposit in any of the Funds are held in trust solely for the benefit of the Registered Owners and the Beneficial Owners, shall be applied only in accordance with the provisions of the Indenture and the Borrower has no legal, equitable nor reversionary interest in, or right to, such amounts.

ARTICLE XI PREPAYMENT OF THE LOAN

Section 11.1 General Option to Prepay the Loan. So long as no Event of Default pursuant to Section 10.1 hereunder exists, the Borrower shall have and is hereby granted the option exercisable at any time to prepay all or any portion of the Loan evidenced by the Promissory Note by depositing with the Trustee an amount of money or securities to the extent permitted by Section 7.1 of the Indenture representing the principal amount, the premium, if any, and interest on the Loan to be paid at maturity, with respect to one or more Series of Bonds, or prepaid to the date a corresponding amount of such Series of Bonds are redeemed. The exercise of the option granted by this Section shall not be cause for redemption of such Series of Bonds unless such redemption is permitted at that time under the provisions of the Indenture and the Borrower specifies the date for such redemption and provides written direction as per Article V of the Indenture. Prior to the date a specific Series of Bonds is subject to redemption as provided in the Indenture, the corresponding Promissory Note is prepayable at any time in an amount sufficient to defease a related amount of such Series of Bonds in accordance with the Indenture. In the event the Borrower prepays all of the Loan evidenced by the Promissory Notes pursuant to this Section, pays all reasonable and necessary fees and

expenses of the Trustee accrued and to accrue through final payment of the Series of Bonds as a result of such prepayment, and all of its liabilities accrued and to accrue hereunder to the Authority through final payment of the Series of Bonds as a result of such prepayment, and all other amounts payable by the Borrower hereunder, including payments of any Rebate Amount, this Agreement shall terminate except as otherwise provided herein.

Section 11.2 Notice of Prepayment. In order to exercise the option granted by this Article, the Borrower shall give written notice to the Trustee and the Authority at least 45 days prior to the prepayment date, which notice shall specify therein the prepayment date and the prepayment amount. In the case of any prepayment pursuant to this Article, the Borrower shall make arrangements with the Trustee for giving notice of redemption as required by the Indenture, if any, with respect to any Bonds to be redeemed shall, if applicable, provide evidence of the Borrower's ability to deliver sufficient Protected Funds to redeem all Bonds called for redemption at least 45 days prior to the redemption date and, if applicable, shall pay to the Trustee an amount of money which constitutes Protected Funds sufficient to redeem all of the Bonds to be called for redemption at the appropriate price no later than the redemption date.

Section 11.3 Use of Prepayment Moneys. By virtue of the assignment of the rights of the Authority under this Agreement to the Trustee, the Borrower agrees to and shall pay any amount required to be paid by it under this Article directly to the Trustee (other than amounts to be paid to the Authority for its own account). The Trustee shall use the moneys so paid to it by the Borrower (other than amounts to be paid to the Trustee for its own account) as provided in this Agreement and in the Indenture.

ARTICLE XII MISCELLANEOUS

Section 12.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail return receipt requested, postage prepaid, overnight courier or by electronic transmission with confirmation of receipt of such transmission, addressed as follows:

If to the Authority:

Independent Cities Finance Authority
P.O. Box 1750
Palmdale, California 93590
Attention: Program Administrator
Telephone: (877) 906-0941
Facsimile: (661) 285-0481

with a copy to:

Ballard Spahr LLP
201 South Main Street, Suite 800
Salt Lake City, Utah 84111
Attention: Ryan R. Warburton, Esq.
Telephone: (801) 531-3000
Facsimile: (801) 531-3001

If to the Borrower: [Alliance HS 18 SPE]
c/o Alliance College Ready Public Schools
1940 South Figueroa Street
Los Angeles, California 90007
Attention: Chief Financial Officer
Telephone: (213) 943-4930
Facsimile: (213) 943-4931

with a copy to: [Musick, Peeler & Garrett LLP
One Wilshire Boulevard, Suite 2000
Los Angeles, California 90017
Attention: Brian Holman, Esq.
Telephone: (213) 629-7711
Facsimile: (213) 624-1376]

If to the Trustee: Zions First National Bank
[ADDRESS]
[CITY, STATE] [ZIP]
Attention: [_____]]
Telephone: [_____]]
Facsimile: [_____]]

A duplicate copy of each notice, certificate or other communication given hereunder by the Authority or the Borrower shall also be given to the Trustee. The Authority, the Borrower and the Trustee may, by notice hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 12.2 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Authority and the Borrower, and their respective successors and assigns, subject, however, to the limitations contained in Sections 8.2, 9.1, 9.2 and 12.10 hereof.

Section 12.3 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.4 Third Party Beneficiaries. Each of the Authority Indemnified Parties, (other than the Authority) and the Trustee Indemnified Parties are intended “Third Party Beneficiaries” of this Agreement. Nothing in this Agreement shall confer any right upon any person other than parties hereto, and those specifically designated as Third Party Beneficiaries of this Agreement.

Section 12.5 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Funds upon termination of this Agreement, provided

the Bonds have been fully retired and all amounts due hereunder have been paid in full, shall belong to and be paid to the Borrower by the Trustee, as provided in the Indenture.

Section 12.6 Amendments, Changes and Modifications. Except as otherwise provided in this Agreement or in the Indenture, this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Authority.

The Authority has imposed certain requirements on the Trustee, the Borrower, the ownership or operation of the Project, or the Bonds which are more restrictive than those required by the JPA Agreement, the Act, the Treasury Regulations, or the Code, which each party hereto agrees are reasonable. For that reason, any proposed amendment, modification or supplement of this Loan Agreement which provides for less restrictive covenants than required by the Authority, but permitted by law, shall require the Authority's consent, which may not be unreasonably withheld.

Section 12.7 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws and judicial decisions of the State, except as such laws may be preempted by any federal rules, regulations and laws applicable to the Authority. The parties hereto expressly acknowledge and agree that any judicial action to interpret or enforce the terms of this Agreement against the Authority shall be brought and maintained in the Superior Court of California of the County of Los Angeles or the United States District Court for the Central District of California.

Section 12.9 Filing. The Borrower shall cause the security interests granted by the Mortgage to be recorded with the Los Angeles County Recorder. In addition, the Borrower shall cause the security interest in the Funds and trust accounts referred to in Section 5.2 hereof granted to the Authority and the assignment of such security interest to the Trustee to be perfected by the filing of financing statements which shall fully comply with the California Uniform Commercial Code in the office of the California Secretary of State and in such other office as is at the time provided by law as the proper place for the filing thereof. The parties further agree that all necessary continuation statements shall be filed by the Trustee with the cooperation of the Borrower within the time prescribed by the California Uniform Commercial Code in order to continue such security interests.

Section 12.10 Cancellation at Expiration of Term of Agreement. Upon the termination of this Agreement, and provided the Bonds have been fully retired and all amounts due hereunder have been paid in full, the Authority shall deliver to the Borrower any documents and take or cause the Trustee to take such actions as may be necessary to evidence the termination of this Agreement and the discharge of the Lien hereof.

Section 12.11 No Pecuniary Liability of Authority. No provision, covenant, or agreement contained in this Agreement, or any obligations herein imposed upon the

Authority, or the breach thereof, shall constitute an indebtedness or liability of the Authority within the meaning of any State constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of the Authority or any commissioner, officer or agent of the Authority or a charge against the Authority's general credit. In making the agreements, provisions and covenants set forth in this Agreement, the Authority has not obligated itself except with respect to the application of the revenues, as hereinabove provided.

Section 12.12 No Personal Liability of Officials of the Borrower, Authority or the Trustee. None of the covenants, stipulations, promises, agreements and obligations of the Authority or the Borrower contained herein shall be deemed to be covenants, stipulations, promises, agreements or obligations of any official, officer, agent or employee of the Authority or the Borrower in his or her individual capacity, and no recourse shall be had for the payment of the principal of or premium, if any, or interest on the Bonds or for any claim based thereon or any claim hereunder against any official, officer, agent or employee of the Authority or the Borrower or any officer, agent, servant or employee of the Trustee or any natural person executing any Bond, including any officer or employee of the Trustee.

Section 12.13 Special Limited Obligation of Authority. This Agreement shall inure to the benefit of and shall be binding upon the Authority, the Borrower and the Trustee for the benefit of the owners of the Bonds, and their respective successors and assigns, subject to the limitation that any obligations of the Authority created by or arising out of this Agreement shall be special limited obligations of the Authority, payable solely out of the revenues arising from the pledge and assignment of the Loan and the other funds held or set aside in trust under the Indenture and shall never constitute the debt or indebtedness of the Authority, the State, or any political subdivision of the State within the meaning of any provision or limitation of the constitution or statutes of the State and shall not constitute nor (except for its fraud or intentional misrepresentation) give rise to a pecuniary liability of the Authority, the State or any political subdivision of the State or a charge against the general credit or taxing powers, if any, of such entities. The Authority has no taxing power.

Anything in this Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Authority may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Authority by the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Authority.

No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Authority contained in this Agreement, any other Authority Documents, or in any Bond or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Authority contained in any agreement, instrument, or certificate executed in connection with the Project or the issuance and sale of the Bonds, against any Authority Indemnified Parties, whether by virtue of any Constitutional provision, statute, or rule of the law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no

personal liability whatsoever shall attach to, or be incurred by, any Authority Indemnified Party, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into by the Authority with the Borrower or the Trustee to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against each and every Authority Indemnified Party is, by the execution of the Bonds, this Agreement, and the other Authority Documents, and as a condition of, and as part of the consideration for, the execution of the Bonds, this Agreement, and the other Authority Documents, is expressly waived and released.

No agreements or provisions contained herein, nor any agreement, covenant, or undertaking by the Authority in connection with the Project or the issuance, sale, and/or delivery of the Bonds shall give rise to any pecuniary liability of the Authority or a charge against its general credit, or shall obligate the Authority financially in any way, except as may be payable from the revenues pledged hereby for the payment of the Bonds and their application as provided in the Indenture. No failure of the Authority to comply with any term, covenant, or agreement contained in the Bonds, this Agreement, or the Indenture, or in any document executed by the Authority in connection with the Project or the issuance and sale of the Bonds, shall subject the Authority to liability for any claim for damages, costs, or other financial or pecuniary charge, except to the extent that the same can be paid or recovered from the revenues pledged for the payment of the Bonds or other revenues derived under this Agreement. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Authority for any failure to comply with any term, condition, covenant, or agreement herein; provided that no costs, expenses, or other monetary relief shall be recoverable from the Authority, except as may be payable from the revenues pledged in the Indenture for the payment of the Bonds or other revenue derived under this Agreement. No provision, covenant, or agreement contained herein, or any obligations imposed upon the Authority, or the breach thereof, shall constitute an indebtedness of the Authority within the meaning of any State constitutional or statutory limitation or shall constitute or give rise to a charge against its general credit. In making the agreements, provisions, and covenants set forth in this Agreement, the Authority has not obligated itself, except with respect to the application of the revenues pledged in the Indenture for the payment of the Bonds or other revenues derived under this Agreement or the Indenture.

The Authority shall have no liability or obligation with respect to the payment of the purchase price of the Bonds. None of the provisions of this Agreement shall require the Authority to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the revenues pledged under the Indenture, or the Authority shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Authority shall not be under any obligation hereunder to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or provided as arranged by the Trustee or the Borrower. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Agreement, the Indenture, and in any and every Bond executed,

authenticated, and delivered under the Indenture; provided, however, that (a) the Authority shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Borrower or the Trustee, and (b) the Authority shall have received the instrument to be executed.

Section 12.14 No Warranty by Authority. THE BORROWER RECOGNIZES THAT, BECAUSE THE COMPONENTS OF THE PROJECT HAVE BEEN AND ARE TO BE SELECTED BY IT, THE AUTHORITY HAS NOT MADE AN INSPECTION OF THE PROJECT, IF AND WHEN ACQUIRED, OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE AUTHORITY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE AUTHORITY SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE AUTHORITY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT.

Section 12.15 Prior Agreements Superseded. This Agreement, together with all agreements executed by the parties concurrently herewith or in conjunction with the initial issuance of the Bonds, shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Authority and the Borrower relating to the Bonds, the lending of money and the Project.

Section 12.16 Covenant by the Borrower with Respect to Statements, Representations and Warranties. It is understood by the Borrower that all such statements, representations and warranties made in this Agreement shall be deemed to have been relied upon by the Authority as an inducement to issue the Bonds, and that if any such statements, representations and warranties were false at the time they were made or (with respect to those representations and warranties which are to continue) are breached during the term hereof, such misrepresentation or breach shall constitute a breach of this Agreement which may give rise to an event of default hereunder.

Section 12.17 Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Agreement.

Section 12.18 Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Agreement, is not a Business Day such payments may be made or act performed or right exercised on the next succeeding Business Day unless otherwise provided herein, with the same force and effect as if done on the nominal date provided in this Agreement.

Section 12.19 Provision of General Application. Any consent or approval of the Authority required pursuant to this Agreement shall be in writing and shall not be unreasonably withheld. If such consent or approval is withheld, the Authority shall state its reasons in writing.

Section 12.20 Survival. Notwithstanding the payment in full of the Bonds, the discharge of the Indenture, and the termination or expiration of the Promissory Notes and this Agreement, all provisions in this Agreement concerning (a) the tax-exempt status of any Tax-Exempt Bonds or the status of the Series 2013 Bonds as Qualified School Construction Bonds (including, but not limited to provisions concerning Rebate), (b) the interpretation of this Agreement, (c) the governing law, (d) the forum for resolving disputes, (e) the Authority's right to rely on facts or certificates, (f) the indemnity of the Authority Indemnified Parties and the Trustee Indemnified Parties, and (g) the Authority's and Trustee's lack of pecuniary liability shall survive and remain in full force and effect.

Section 12.21 Notice of Change in Fact. The Borrower will notify the Authority and the Trustee promptly after the Borrower becomes aware of (i) any change in any material fact or circumstance represented or warranted by the Borrower in this Agreement or in connection with the issuance of the Bonds which would make any such representation or warranty false when made, (ii) any default or event which, with notice or lapse of time or both, could become an Event of Default under this Agreement, or the Indenture or any Borrower Document, specifying in each case the nature thereof and what action the Borrower has taken, is taking, and/or proposes to take with respect thereto, (iii) any Internal Revenue Service audit of the Borrower or the Bonds, (iv) any material litigation affecting the Bonds, the Borrower or the Facilities, and (v) any default in indebtedness of the Borrower.

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

INDEPENDENT CITIES FINANCE
AUTHORITY, as Authority

By: _____
President

By: _____
Program Administrator

[Alliance HS 18 SPE], as Borrower

By: Alliance for College-Ready Public
Schools, its sole member

By: _____
David Hyun
Chief Financial Officer

TERMS ACKNOWLEDGED AND ACCEPTED:

Zions First National Bank, as Trustee

By: _____

Name: _____

Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF LAND

EXHIBIT B
FORM OF PROJECT FUND REQUISITION CERTIFICATE
(to be used in connection with the issuance of any Additional Bonds)

Request No. _____

Date: _____

TO: Zions First National Bank, AS TRUSTEE (THE "TRUSTEE"), UNDER THE TRUST INDENTURE DATED AS OF APRIL 1, 2013 (THE "INDENTURE"), BETWEEN THE INDEPENDENT CITIES FINANCE AUTHORITY (THE "AUTHORITY") AND THE TRUSTEE, AND THE LOAN AGREEMENT DATED AS OF APRIL 1, 2013 (THE "AGREEMENT"), BETWEEN THE AUTHORITY AND [Alliance HS 18 SPE]

The undersigned Authorized Representative of the Borrower hereby requests that the following amounts be paid to the following payees for the following Costs of the Project (as defined in said Indenture) (the "Costs"):

Payee and Address	Amount	Description
-------------------	--------	-------------

The undersigned Authorized Representative of the Borrower hereby states and certifies that:

(a) obligations in the stated amounts have been incurred and performed at the Project and are currently due and payable and that each item thereof is a proper charge against the Project Fund and has not been the subject of a previous withdrawal from such fund;

(b) to the best of the undersigned's knowledge, there has not been filed with or served upon the Authority or the Borrower notice of any lien, right or attachment upon, or claim affecting the right of any such persons, firms or corporations to receive payment of, the respective amounts stated in such requisition which has not been released and will not be released simultaneously with the payment of such obligation;

(c) (i) obligations as stated on the requisition have been incurred, (ii) such work was actually performed or such materials or supplies were actually furnished or installed in or about the Project, (iii) if contested, bond has been made by the Borrower and (iv) either such materials or supplies are not subject to any lien or security interest or any such lien or security interest will be released or discharged upon payment of the requisition;

(d) all rights, title and interest to any and all personal property acquired with the proceeds of the requisition are vested in the Borrower;

(e) the amount remaining in the Project Fund is sufficient to pay all unpaid costs of designing, constructing, and equipping the project or, if not, Borrower shall cover such shortfall as required by the Loan Agreement and Indenture;

(f) after taking into account the proposed disbursement, at least 95% of the aggregate of all disbursements of the proceeds of Tax-Exempt Bonds plus earnings thereon will have been applied to pay or reimburse the Borrower for the payment of capital costs of the Facilities;

(g) not less than 100% of all disbursements of the proceeds of the Series 2013 Bonds will have been applied for the construction, rehabilitation, or repair of the Series 2013 Facilities, or for the acquisition of land on which the Series 2013 Facilities are to be constructed;

(h) no Event of Default currently exists under the Agreement, and no facts currently exist that, with the passage of time or giving of notice or both, would constitute an Event of Default under the Agreement; and

(i) this requisition [does][does not] relate to a construction cost.

[Alliance HS 18 SPE]

By: Alliance for College-Ready Public Schools, its sole member

By: _____
Authorized Representative

APPROVED BY:

By: _____
Consulting Architect

FOR FINAL REQUISITION

The Project has been completed substantially in compliance with the plans and specifications relating thereto.

By: _____
Consulting Architect

EXHIBIT C

FORM OF SERIES 2013 PROMISSORY NOTE

[\$10,750,000].00

April [], 2013

For value received, the undersigned, [Alliance HS 18 SPE], a California limited liability company (the "Borrower"), hereby promises to pay to the order of INDEPENDENT CITIES FINANCE AUTHORITY (the "Lender") in its capacity as Authority under the Trust Indenture dated as of April 1, 2013, between Zions First National Bank, as trustee ("Trustee") and Lender, at Trustee's designated office in [CITY, STATE], or at any other place designated at any time by the holder hereof, in lawful money of the United States of America and in immediately available funds, the principal sum of TEN MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$10,750,000), together with interest on the principal amount hereunder remaining unpaid from time to time, computed on the basis of a 360 day year consisting of twelve 30 day months, from the date hereof until this Note is fully paid. Such principal amount above is payable in such amounts and at such times and at the rate or rates from time to time in effect under the Loan Agreement dated as of April 1, 2013 (the "Loan Agreement") by and between Lender and Borrower. The principal hereof and interest accruing thereon shall be due and payable as provided in the Loan Agreement. This Note may be prepaid only in accordance with the Loan Agreement.

This Note is issued pursuant, and is subject, to the Loan Agreement, which provides, among other things, for acceleration hereof. This Note is the Series 2013 Note referred to in the Loan Agreement.

This Note is secured, among other things, by the Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Filing, dated as of April [], 2013 (the "Mortgage"), and may now or hereafter be secured by one or more other security agreements, mortgages, deeds of trust, assignments or other instruments or agreements.

Borrower hereby agrees to pay all costs of collection, including attorneys' fees and legal expenses in the event this Note is not paid when due, whether or not legal proceedings are commenced.

Borrower agrees that the interest rate contracted for includes the interest rate set forth herein or in the Loan Agreement plus any other charges or fees set forth herein or therein and costs and expenses incident to this transaction paid by the Borrower to the extent the same are deemed interest under applicable law.

(Remainder of page intentionally left blank.)

Presentment or other demand for payment, notice of dishonor and protest are expressly waived.

[ALLIANCE HS 18 SPE],
a California limited liability company

By: Alliance for College-Ready Public
Schools, its sole member

By: _____
David Hyun
Chief Financial Officer

ENDORSEMENT

Pay to the order of Zions First National Bank, without recourse, as Trustee under the Indenture referred to in the within mentioned Note, as security for such Series 2013 Bonds issued under such Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Notes.

DATED: April __, 2013

INDEPENDENT CITIES FINANCE
AUTHORITY

By: _____

Name: _____

Title: _____

EXHIBIT D

BORROWER'S ANNUAL CERTIFICATE OF CONTINUING COMPLIANCE

The undersigned, _____, _____ of [Alliance HS 18 SPE] (the "Borrower") hereby certifies, with respect to the Independent Cities Finance Authority Charter School Revenue Bonds, (Alliance Bloomfield Technology Academy Project) Series 2013 (Taxable Qualified School Construction Bonds – Direct Subsidy) (the "Bonds"), that during the period January 1, _____ through December 31, _____:

(a) Neither the Borrower nor the Lessee has, except with the Authority's written approval, substantially subtracted from any real or personal property of the Project.

(b) Neither the Borrower nor the Lessee has permitted the use of any part of the Project for any purpose other than as a public school pursuant to the Act as amended, consistent with the Loan Agreement, dated as of April 1, 2013 (the "Loan Agreement"), executed in connection with the issuance of the Bonds.

(c) Neither the Borrower nor the Lessee has allowed any Person or organization, other than the Lessee, to become a user of the Project, or any portion thereof, nor has the Borrower or the Lessee transferred any portion of the Project, except as follows: _____.

(e) The Borrower is in compliance with all other provisions of the Loan Agreement, and all representations contained in the Loan Agreement continue to be true and correct.

All capitalized terms used herein, but not defined herein, have the meaning given in the Loan Agreement and Indenture.

DATED: _____

[ALLIANCE HS 18 SPE]

By: Alliance for College-Ready Public
Schools, its sole member

By: _____

Its: _____

EXHIBIT E

MONTHLY PAYMENT SCHEDULE

EXHIBIT F

TAX AND INSURANCE ESCROW FUND REQUISITION

REQUISITION NUMBER: _____

BORROWER: _____

DATE: _____

To: Zions First National Bank
[TRUSTEE ADDRESS]
[CITY, STATE] 83702
Attention: [_____]]
Telephone: [PHONE]
Facsimile: [FAX]

Pursuant to Section 4.05 of the Agreement and Section 3.25(c) of the Indenture (Tax and Insurance Escrow Fund), please disburse funds for the payment of real property taxes/insurance (circle one) premiums due in connection with the Project located at: 7907 Santa Fe Avenue in Los Angeles County, California, as follows:

PAYABLE TO: _____

ADDRESS: _____

AMOUNT DUE: _____

Attached are the following:

- _____ Invoice
- _____ Cancelled check (attach only if invoice is already paid)

The obligation(s) has (have) been properly incurred and is (are) a proper charge against the Tax and Insurance Escrow Fund subaccount and has (have) not been the basis of any previous withdrawal. The disbursement requested will be used to either (a) pay taxes or insurance with respect to the Project, or (b) reimburse Borrower for payment of taxes or insurance premiums paid with respect to the Project.

[ALLIANCE HS 18 SPE]

By: Alliance for College-Ready Public
Schools, its sole member

By: _____

Name: _____

Title: _____