

Recording Requested By:

Bonsall Unified School District

When Recorded Mail To:

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660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attn: Reed Glyer, Esq.

This document is recorded for the benefit of the Bonsall Unified School District and recording is fee-exempt under §27383 of the Government Code.

ASSIGNMENT AGREEMENT

by and between

LOCAL FACILITIES FINANCE CORPORATION

and

**JPMORGAN CHASE BANK, N.A.,
as Purchaser**

Dated as of June 1, 2018

Relating to

**\$ _____
BONSALL UNIFIED SCHOOL DISTRICT
2018 REFUNDING LEASE**

ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT, dated as of June 1, 2018 (the "Assignment Agreement"), is made by the LOCAL FACILITIES FINANCE CORPORATION, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California, including without limitation, Sections 5110 *et seq.* of the Corporations Code of the State of California (the "Corporation"), and accepted by JPMORGAN CHASE BANK, N.A., a national association duly organized and existing under and by virtue of the laws of the United States of America, as Purchaser of the Lease (including its successor and assigns, the "Purchaser"), and acknowledged by the Bonsall Unified School District, a unified school district duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "District"):

WITNESSETH:

WHEREAS, the Corporation and the District have executed and entered into a Site Lease (the "Site Lease") and a Lease/Purchase Agreement (the "Lease"), each dated as of the date hereof and recorded concurrently herewith, whereby respectively, the District has agreed to lease certain real property of the District described in Exhibit A to the Site Lease and in Exhibit A hereto and all improvements thereon, known as the Bonsall Community Center located at 31505 Old River Road, Bonsall, California (collectively, the "Property"), to the Corporation and the Corporation has agreed to lease back such Property to the District pursuant to the Lease, as provided therein; and

WHEREAS, under and pursuant to the Lease, the District is obligated to make Lease Payments, as defined therein, to the Corporation for the lease of the Property; and

WHEREAS, the Corporation desires to assign without recourse all its rights to receive the Lease Payments scheduled to be paid by the District and certain other rights, title and interest under and pursuant to the Lease to the Purchaser as described herein; and

WHEREAS, the Corporation desires to assign, without recourse, all of its rights under and pursuant to the Site Lease to the Purchaser as described herein; and

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

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

Section 1. Assignment.

(a) Site Lease. The Corporation hereby transfers, assigns and sets over to the Purchaser, all of the Corporation's rights, title, and interest under the Site Lease.

(b) Lease. The Corporation hereby transfers, assigns and sets over to the Purchaser all of the Corporation's rights, title and interest (but none of its obligations) under the Lease (excepting only the Corporation's rights under Sections 2.1(e), 4.11, 7.8 and 9.4 of the Lease), including, without limitation, (1) the right to receive and collect all of the Lease Payments, Prepayments and Additional Payments (except to the extent payable to the Corporation) from the District under the Lease, (2) the right to receive and collect any proceeds of any insurance maintained thereunder, or any condemnation award rendered with respect to the Property, or of any lease or sale of the Property in the event of a default by the District under the Lease, (3) the right to take all actions and give all consents under the Lease, 8.2(b) (regarding subleases), Section 8.3 (regarding amendments of the Lease), Section 9.2 (regarding defaults), (4) the right to exercise such rights and remedies conferred on the Corporation pursuant to the Lease as may be necessary or convenient (i) to enforce payment of the Lease Payments, Prepayments and Additional Payments and any other amounts required to be deposited with the Purchaser, or (ii) otherwise to protect the interests of the Corporation in the event of a default by the District under the Lease, and (5) the right of the Corporation to receive rental in excess of Lease Payments as compensation for re-leasing the Property upon events of default under the Lease, as provided in Section 9.2 (a) and (b) of the Lease.

(c) Absolute Assignment. The above assignments are intended to be absolute and unconditional assignments to the Purchaser and are not intended as a loan by the Purchaser to the Corporation. Accordingly, in the event of bankruptcy of the Corporation, the rights assigned hereunder shall not be part of the Corporation's estate. However, if the above assignments are deemed to be a loan by the Purchaser to the Corporation, then the Corporation shall be deemed to have granted to the Purchaser, and hereby grants to the Purchaser, a continuing first priority security interest in the rights assigned hereunder and all proceeds thereof as collateral security for all obligations of the Corporation hereunder and all obligations of the District under the Lease and this Assignment Agreement shall be deemed a security agreement with respect to such loan.

Section 2. Acceptance. The Purchaser hereby accepts the foregoing assignment. All rights assigned by the Corporation shall be administered by the Purchaser as assignee thereof according to the provisions of the Lease and for the benefit of the Purchaser. The Purchaser hereby acknowledges that the interests assigned to the Purchaser hereunder are subject to the limitations on transfer provided in Section 4.8 of the Lease.

Section 3. No Other Claims. The Corporation hereby represents and warrants that there are no present and outstanding claims on the Lease Payments or any other moneys assigned by the Corporation to the Purchaser hereunder.

Section 4. Representations. The Corporation represents and warrants to the Purchaser that:

(a) Enforceability of Assignment Agreement. The Corporation has the power, authority, and legal right to execute, deliver and perform this Assignment Agreement, and this Assignment Agreement is a valid, binding, and enforceable obligation of the Corporation, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the application of equitable principles; and

(b) Marketable Title. Good and marketable title to the rights assigned hereunder has been duly vested in the Purchaser free and clear of any liens, security interests, encumbrances or other claims other than the rights of the District under the Lease, and the Corporation has not

assigned or transferred any of the rights assigned hereunder or any interest in the rights assigned hereunder to any party other than the Purchaser.

Section 5. Covenants.

(a) Nonimpairment of Lease. The Corporation agrees that it (1) shall not have any right to amend, modify, compromise, release, terminate or permit prepayment of the Lease, and (2) shall not take any action that may impair the payment of Lease Payments or the validity or enforceability of the Lease.

(b) Lease Payments. If the Corporation receives any Lease Payments, then the Corporation shall receive such payments in trust for the Purchaser and shall immediately deliver the same to the Purchaser in the form received, duly endorsed by the Corporation for deposit by the Purchaser.

(c) Further Assurances. The Corporation shall execute and deliver to the Purchaser such notices of assignment, UCC financing statements (if necessary), assignments of financing statements and other documents, in form and substance reasonably satisfactory to the Purchaser, and the Corporation shall take such other actions, as the Purchaser may reasonably request from time to time to evidence, perfect, maintain, and enforce the Purchaser's rights in the rights assigned hereunder and/or to enforce or exercise the Purchaser's rights or remedies under the Lease. The Purchaser may, where permitted by law, file such UCC financing statements without the Corporation's signature.

Section 6. Counterparts. This Assignment Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7. Undefined Terms. All terms used but not otherwise defined herein shall have the meanings assigned to such terms by the Lease.

Section 8. No Financial Advisory or Fiduciary Relationship. The Corporation understands, and hereby confirms, that the Purchaser is not acting as a fiduciary of the Corporation, but rather is acting solely in its capacity as Purchaser, for its own account. The Corporation acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the Corporation and the Purchaser and its affiliates, (ii) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), (iii) the Purchaser and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Corporation with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has provided other services or advised, or is currently providing other services or advising the Corporation on other matters), (v) the Purchaser and its affiliates have financial and other interests that differ from those of the Corporation, and (vi) the Corporation has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

Section 9. Conditions to Purchaser Performance. The Purchaser hereby enters into this Assignment Agreement in reliance upon its own due diligence and the representations and warranties of the Corporation contained herein and the representations and warranties of the District and the Corporation to be contained in the Lease and other documents and instruments to be delivered on the Closing Date and upon the performance by both the District and the Corporation of their respective obligations both on the Closing Date. Accordingly, the obligations of the Purchaser under this Assignment Agreement to purchase and to accept the assignment of Lease hereunder shall be subject, at the option of the Purchaser, to the accuracy in all material respects of the representations and warranties of the Corporation contained herein as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the District and the Corporation made in any certificate or document furnished pursuant to the provisions of the Lease or hereof, to the performance by the District and the Corporation of their respective obligations to be performed hereunder and under the Lease, at or prior to the Closing Date, and also shall be subject to such additional legal opinions, certificates, proceedings, instruments and other documents as counsel to the Purchaser or the Purchaser may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the representations contained herein and the due performance or satisfaction by the District and the Corporation at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have executed and entered into the Assignment Agreement by their officers thereunto duly authorized as of the day and year first above written.

LOCAL FACILITIES FINANCE CORPORATION

By: _____
Rex Despain
President

[SIGNATURES CONTINUED ON NEXT PAGE.]

[SIGNATURE PAGE CONTINUED.]

Accepted by:

JPMORGAN CHASE BANK, N.A., as
Purchaser

By: _____

[SIGNATURES CONTINUED ON NEXT PAGE.]

[SIGNATURE PAGE CONTINUED.]

Acknowledged by:

BONSALL UNIFIED SCHOOL DISTRICT

By: _____
David Jones
Superintendent

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Assignment Agreement, dated as of June 1, 2018, from the Local Facilities Finance Corporation to JPMorgan Chase Bank, N.A. (the "Purchaser") is hereby accepted by the undersigned on behalf of the Purchaser, and the Purchaser consents to recordation of the Assignment Agreement.

Dated as of June 1, 2018

JPMORGAN CHASE BANK, N.A., as Purchaser

By: _____

Vice President

ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

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

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

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
)
) ss.
COUNTY OF SAN DIEGO _____)

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

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

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

EXHIBIT A

LEGAL DESCRIPTION

Real property in the County of San Diego, State of California, described as follows:

APN: