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THE CITY OF SAN DIEGO

SAN DIEGO SPACE AND SCIENCE FOUNDATION

Nonprofit Lease

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OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

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**CITY OF SAN DIEGO
NONPROFIT LEASE**

THIS LEASE AGREEMENT is executed between THE CITY OF SAN DIEGO, a municipal corporation, hereinafter called "CITY," and SAN DIEGO SPACE AND SCIENCE FOUNDATION, a California nonprofit corporation, hereinafter called "LESSEE."

SECTION 1: CONDITIONS/USES

- 1.1 Contingent Conditions. If the following two conditions have not been met within five (5) years of the effective date of this lease, either CITY or LESSEE may terminate this lease by giving thirty (30) days written notice to the other party. The termination shall be effective if the conditions have not been met within thirty (30) days of the written notice. In the event of such termination, the operating agreement and memorandum of understanding referenced in Section 7.16, which governed operation of the premises by LESSEE, shall supersede this lease and return to full force and effect.

Conditions:

- a. LESSEE shall obtain sufficient financing to construct the improvements shown on the General Development Plan referenced in Section 6.12 hereof.
- b. LESSEE shall commence construction of said improvements as evidenced by LESSEE'S contractor starting work at the premises after obtaining building permits.

- 1.2 Premises. CITY hereby leases to LESSEE and LESSEE leases from CITY all of that certain real property situated in the City of San Diego, County of San Diego, State of California, known as the Reuben H. Fleet Space Theater and Science Center, more particularly described in Exhibit "A" attached hereto and by this reference made part of this agreement. Said real property is hereinbefore and hereinafter called the "premises" or "leased premises."

- 1.3 Uses. It is expressly agreed that the premises are leased to LESSEE solely and exclusively for the purposes of development, operation, and maintenance of a space theater, including a gift shop and an indoor cafe, in accordance with the General Development Plan referenced in Section

6.12 hereof, and for such other related or incidental purposes as may be first approved in writing by the City Manager and for no other purpose whatsoever.

LESSEE'S right to operate an indoor cafe on the premises shall be further subject to written approval by the City Manager of the scope and nature of such food service operation and of plans and specifications for such a facility. LESSEE may operate a gift shop on the premises and sell to the general public articles which relate to subjects on display or activities conducted in the science center, including but not limited to books, periodicals, and related merchandise.

LESSEE may reasonably place signs, displays, and promotional materials on the interior of the premises, provided, however, that no signs, displays, logos, or any other form of message may appear on the exterior of the premises without prior written approval by the City Manager, which shall not be unreasonably withheld. However, LESSEE may submit a general plan for hanging outdoor banners for prior written approval by the City Manager.

The use of the premises for any unauthorized purpose shall constitute a substantial default and subject this lease to termination at the sole option of the CITY, subject to the default remedies of Section 4.4 hereof.

LESSEE covenants and agrees to use the premises for the above-specified purposes and to diligently pursue said purposes throughout the term hereof. Failure to continuously use the premises for said purposes, or the use thereof for purposes not expressly authorized herein, shall be grounds for termination by CITY, subject to the default remedies of Section 4.4 hereof.

- 1.4 Related Council Actions. By the granting of this lease, neither CITY nor the Council of CITY is obligating itself to any other governmental agent, board, commission, or agency with regard to any other discretionary action relating to development or operation of the premises. Discretionary action includes but is not limited to rezonings, variances, environmental clearances, or any other governmental agency approvals which may be required for the development and operation of the leased premises.
- 1.5 Quiet Possession. LESSEE, by performing the covenants and agreements herein, shall at all times during the term peaceably and quietly have, hold, and enjoy the premises. If CITY for any reason cannot deliver possession of the premises to LESSEE at the

commencement of the term, or if during the lease term LESSEE is temporarily dispossessed through action or claim of a title superior to CITY'S, then and in either of such events, this lease shall not be voidable nor shall CITY be liable to LESSEE for any loss or damage resulting therefrom.

1.6 Easements and Reservations.

- a. CITY hereby reserves all rights, title, and interest in any and all subsurface natural gas, oil, minerals, and water on or within the premises.
- b. CITY reserves the right to grant and use easements or to establish and use rights-of-way over, under, along, and across the leased premises for utilities, thoroughfares, or access as it deems advisable for the public good.
- c. CITY has the right to enter the premises for the purpose of making repairs to or developing municipal resources and services.

However, CITY shall not unreasonably or substantially interfere with LESSEE'S use of the premises and will reimburse LESSEE for physical damages, if any, to the permanent improvements located on the leased premises resulting from CITY exercising the rights reserved in this section. CITY will pay the costs of maintenance and repair of all CITY installations made pursuant to these reserved rights.

- 1.7 Competent Management. Throughout the term of this lease agreement, LESSEE shall provide competent management of the leased premises to the satisfaction of the City Manager. For the purposes of this paragraph, "competent management" shall mean demonstrated ability in the management and operation of a public science center and related activities in a fiscally responsible manner.

- 1.8 Operation of Facilities. A regular schedule of days and hours of operation shall be established by LESSEE to best serve the public as set forth in Section 10.5, Schedule of Days and Hours of Operation, hereof. Any changes in this schedule shall be subject to the prior written approval of the City Manager or his authorized representative, which approval shall not be unreasonably withheld. LESSEE shall diligently and in a creditable manner furnish services to the public in conformity with all applicable rules and regulations of the City of San Diego.

- 1.9 Rates and Charges. All charges for merchandise and services or facilities on said premises shall be in accordance with the schedule set forth in Section 10.4, Schedule of Rates and Charges, hereof and will be set in a manner that is consistent with legal obligations and covenants entered into by LESSEE. Any changes in said schedule are subject to prior written approval by the City Manager or his authorized representative, which approval shall not be unreasonably withheld. Fees shall cover fixed and operational expenses for and maintenance of the public meeting rooms. All fees collected by LESSEE from the operation of the premises shall be used to further the purpose of the LESSEE in a manner beneficial to the premises and/or programs offered at the premises.
- 1.10 CITY Use. The premises shall be available to CITY up to three times per calendar year for civic events and special programs, free of charge, except where LESSEE has scheduled events or programs. After every CITY use, the premises shall be left in the same condition found, and LESSEE shall not be required to incur any additional costs by reason of CITY use.
- 1.11 Political Activities. The leased premises shall be used exclusively for the purposes specified in Section 1.3, Uses, hereof. The premises shall not be used for working or campaigning for the nomination or election of any individual to any public office, be it partisan or nonpartisan. Provided, however, that LESSEE shall not be precluded from providing a forum for open public debate by candidates such as occurs at a "candidate forum" and similar events.
- 1.12 Public Use. The general public shall not be wholly or permanently excluded from any portion of the premises. LESSEE may develop reasonable restrictions for the facility use provided they are consistent with the rights of the general public and are designed to allow LESSEE to use the premises for the purposes specified herein. LESSEE agrees that all activities conducted on the premises will be as stated in Section 1.3, Uses, hereof.
- LESSEE shall, at all times during the lease term, maintain a CITY-approved sign identifying the property as City-owned and available for public use consistent with the terms of this lease. The sign shall be installed by LESSEE at a location agreeable to CITY.
- 1.13 Parking. With the expansion of LESSEE'S facility, it is recognized that the demand for adjacent parking will increase. CITY currently runs an intra-park tram system in Balboa Park, and LESSEE agrees to make reasonable efforts to encourage its patrons and employees to park their

vehicles in the parking lots adjacent to Park Boulevard and Presidents Way and ride the tram to and from the premises. LESSEE shall install signs approved by the City Manager as to type and location directing patrons and employees to said parking lots and tram service. CITY shall be under no obligation to continue the tram service in the park if annual funding is not sufficient to cover all costs of tram operations. If CITY discontinues the tram service, LESSEE shall provide a tram service at its sole cost to the minimum standards set forth in Section V., ALTERNATIVES, of Environmental Impact Report No. 87-0207 (or more recent EIR), a copy of which is on file in the City Development Services Department.

SECTION 2: TERM

- 2.1 Commencement. The term of this agreement shall be thirty (30) years commencing on the first day of the calendar month following execution by the City Manager; provided, however, that this agreement shall immediately terminate at CITY'S option on the date on which any revenue bonds issued by LESSEE to finance the improvements referenced in Section 6.12 hereof are paid in full or are redeemed by funds deposited by or on behalf of CITY. "Lease year" as used in this lease shall mean the 12-month period commencing on the first day of the calendar month following the execution of this lease by the City Manager. "Fiscal year" as used in this lease shall mean the period of time from July 1 through June 30.
- 2.2 Termination. In addition to other provisions of this lease concerning early termination of this lease, in the event that LESSEE issues revenue bonds in accordance with the provisions of Revenue Procedure 82-26 of the Internal Revenue Service to finance the improvements referenced in Section 6.12 hereof (such revenue bonds being hereinafter called the "Bonds"), then:
- a. CITY shall have the right, but not the obligation, at any time to terminate this lease and obtain unencumbered fee title and exclusive possession of the property financed with the Bonds, and any additions to that property, by (1) placing into escrow an amount that will be sufficient to redeem the Bonds, and (2) paying reasonable costs incident to the redemption; and
 - b. In any event, this lease shall immediately terminate at CITY'S option upon full payment of the Bonds.

Upon any such termination, LESSEE agrees, if requested in writing by CITY, to immediately cancel all encumbrances on the property, including subleases and management contracts. Any sublease, management contract, or other similar encumbrance on the property shall be considered immediately canceled if the sublessee, management company, or other user vacates the property within ninety (90) days after the date CITY exercises its right under subparagraph (a) above. Encumbrances that do not significantly interfere with the enjoyment of the property, such as easements granted to utility companies, shall not be considered encumbrances for purposes of this paragraph.

CITY shall have no obligation whatsoever to exercise its rights under this Section 2.2.

2.3 Holdover. Any holding over by LESSEE after expiration or termination shall not be considered as a renewal or extension of this lease. The occupancy of the premises after the expiration or termination of this agreement constitutes a month-to-month tenancy, and all other terms and conditions of this agreement shall continue in full force and effect.

2.4 Surrender of Premises. At termination of this lease for any reason, LESSEE shall execute, acknowledge, and deliver to CITY, within five (5) days after written CITY demand, a valid and recordable quitclaim deed covering all of the premises. The premises shall be delivered free and clear of all liens and encumbrances and in a decent, safe, and sanitary condition.

If LESSEE fails or refuses to deliver the required deed, CITY may prepare and record a notice reciting LESSEE'S failure to execute this lease provision, and the notice will be conclusive evidence of the termination of this lease and all LESSEE'S rights to the premises.

SECTION 3: RENT

3.1 Rent. In lieu of cash rent, the consideration to CITY shall be LESSEE'S development, continuous operation, and maintenance of the premises during the entire lease term at no cost to CITY, other than CITY maintenance responsibilities specified in Section 6.3 hereof, in accordance with the General Development Plan referenced in Section 6.12 hereof.

3.2 Additional Consideration. LESSEE agrees to make payment to CITY to retire the original construction bonds as follows:

Fiscal Year 1997 \$240,875

Monies in the Reserve Fund may also be applied toward the principal and/or interest on the last maturity of the outstanding bonds. LESSEE shall remit payment in full to the City Auditor no later than August 1, 1997. Failure to make timely payment shall constitute a substantial default of this lease and subject this lease to termination, subject to the default remedies of Section 4.4 hereof.

- 3.3 Inspection of Records. LESSEE agrees to make any and all records and accounts available to CITY for inspection at all reasonable times so that CITY can determine LESSEE'S compliance with this lease. These records and accounts will be made available by LESSEE at the leased premises and will be complete and accurate showing all income and receipts from use of the premises. LESSEE'S failure to keep and maintain such records and make them available for inspection by CITY is a breach of this lease and cause for termination. LESSEE shall maintain all such records and accounts for a minimum period of five (5) years.

SECTION 4: ASSIGNMENT

- 4.1 Time is of Essence; Provisions Binding on Successors. Time is of the essence of all of the terms, covenants, and conditions of this lease, and, except as otherwise provided herein, all of the terms, covenants, and conditions of this lease shall apply to, benefit, and bind the successors and assigns of the respective parties, jointly and individually.
- 4.2 Assignment and Subletting. LESSEE shall not assign this lease or any interest therein and shall not sublet the premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person, except employees, agents, and guests of LESSEE, to use or occupy the premises or any part thereof, without the prior written consent of the City Manager in each instance. A consent to assignment, subletting, occupation, or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation, or use by another person. Any such assignment or subletting without such consent shall be void and shall, at the option of CITY, terminate this lease. This lease shall not, nor shall any interest therein, be assignable as to the interest of LESSEE by operation of law, without the written consent of the City Manager.

"Assignment" for the purposes of this clause shall include any transfer of any ownership interest in this lease by LESSEE or by any partners,

principals, or stockholders, as the case may be, from the original LESSEE, its general partners, or principals.

Approval of any assignment or sublease shall be conditioned upon the assignee or sublessee agreeing in writing that it will assume the rights and obligations thereby assigned or subleased and that it will keep and perform all covenants, conditions, and provisions of this agreement which are applicable to the rights acquired. Pursuant to City Charter Section 225, the City Manager must review and approve every person or entity which will have an interest in this lease as a sublessee or assignee. The City Manager's approval will not be unreasonably withheld, provided all such persons and entities are of good character and reputation in the community.

- 4.3 Encumbrance. Subject to Section 2.2 hereof and to prior consent by CITY, which shall not be unreasonably withheld, LESSEE may encumber this lease, its leasehold estate, and its improvements thereon by deed of trust, mortgage, chattel mortgage, or other security instrument to assure the payment of a promissory note or notes of LESSEE, upon the express condition that the proceeds of such loan or loans be devoted exclusively to the purpose of developing the leased premises in accordance with Section 6.12, Development Plan, hereof. However, a reasonable portion of the loan proceeds may be disbursed for payment of incidental costs of construction, including but not limited to the following: off-site improvements for service of the premises; on-site improvements; escrow charges; premiums for hazard insurance or other insurance or bonds required by CITY; title insurance premiums; reasonable loan costs such as discounts, interest, advisory fees, underwriting and issuance expenses, and commissions; and architectural, engineering, and attorneys' fees and other normal expenses incidental to such construction and related financing.

Any subsequent encumbrances on the premises or on any permanent improvements thereon must first have the approval in writing of the City Manager. Such subsequent encumbrances shall also be for the exclusive purpose of development of the premises.

In the event any such approved deed of trust or mortgage or other security-type instrument should at any time be in default and be foreclosed or transferred in lieu of foreclosure, CITY will accept the approved mortgagee or beneficiary thereof as its new tenant under this lease with all the rights, privileges, and duties granted and imposed in this lease.

Upon prior written approval by CITY, said mortgagee or beneficiary may assign this lease to its nominee, if nominee is a reputable, qualified, and financially responsible person or entity in the opinion of CITY. Any deed of trust, mortgage, or other security instrument shall be subject to all of the terms, covenants, and conditions of this lease and shall not be deemed to amend or alter any of the terms, covenants, or conditions hereof. Pursuant to City Charter Section 225, the City Manager must review and approve every person or entity which will have a financial interest in this lease. The City Manager's approval will not be unreasonably withheld, provided all such persons and entities are of good character and reputation in the community.

4.4 Defaults and Remedies.

a. Default. In the event that:

- (1) LESSEE shall default in the performance of any covenant or condition required by this lease to be performed by LESSEE and shall fail to cure said default within thirty (30) days following written notice thereof from CITY; or if any such default is not curable within thirty (30) days, and LESSEE shall fail to commence to cure the default(s) within said thirty-day period and diligently pursue such cure to completion; or
- (2) LESSEE shall voluntarily file or have involuntarily filed against it any petition under any bankruptcy or insolvency act or law; or
- (3) LESSEE shall be adjudicated a bankrupt; or
- (4) LESSEE shall make a general assignment for the benefit of creditors;

then CITY may, at its option, without further notice or demand upon LESSEE or upon any person claiming rights through LESSEE, immediately terminate this lease and all rights of LESSEE and of all persons claiming rights through LESSEE to the premises or to possession thereof; and CITY may enter and take possession of the premises. Provided, however, in the event that any default described in Section 4.4a.(1), hereinabove is not curable within thirty (30) days after notice to LESSEE, CITY shall not terminate this lease pursuant to the default if LESSEE immediately commences to cure the default and diligently pursues such cure

to completion.

In the event there is a bond, mortgage, or deed of trust on the leasehold interest, CITY shall give the bond trustee, mortgagee, or beneficiary written notice of the default(s) complained of, and the same bond trustee, mortgagee, or beneficiary shall have thirty (30) days from such notice to cure the default(s) or, if any such default is not curable within thirty (30) days, to commence to cure the default(s) and diligently pursue such cure to completion. The thirty-day period may be extended during such time as bond trustee, mortgagee, or beneficiary pursues said cure with reasonable diligence.

- b. Remedies of Lender. Should the default(s) be noncurable by LESSEE, then any bond trustee or lender holding a beneficial interest in the leasehold, whose qualifications as an assignee have been approved by CITY, shall have the absolute right to substitute itself to the estate of LESSEE hereunder and to commence performance of this lease. If such bond trustee, mortgagee, or beneficiary shall give notice in writing of its election to so substitute itself within the thirty-day period after receiving written notice by CITY of the default, and the default, if curable, is cured by such bond trustee, mortgagee, or beneficiary, then this lease shall not terminate pursuant to the default. In that event, CITY expressly consents to the substitution and authorizes the bond trustee, mortgagee, or beneficiary to perform under this lease with all the rights, privileges, and obligations of LESSEE, subject to cure of the default, if possible, by bond trustee, mortgagee, or beneficiary. LESSEE expressly agrees to assign all its interest in and to its leasehold estate to bond trustee, mortgagee, or beneficiary in that event.
- c. Abandonment by LESSEE. Even though LESSEE has breached the lease and abandoned the property, this lease shall continue in effect for so long as CITY does not terminate this lease, and CITY may enforce all its rights and remedies hereunder, including but not limited to the right to recover the rent as it becomes due, plus damages.
- d. Waiver. Any CITY waiver of a default is not a waiver of any other default. Any waiver of a default must be in writing and be executed by the City Manager in order to constitute a valid and binding waiver. CITY delay or failure to exercise a remedy or right is not a waiver of that or any other remedy or right under this

lease. The use of one remedy or right for any default does not waive the use of another remedy or right for the same default or for another or later default. CITY'S acceptance of any rents is not a waiver of any default preceding the rent payment. CITY and LESSEE specifically agree that the property constituting the premises is CITY-owned and held in trust for the benefit of the citizens of the City of San Diego and that any failure by the City Manager or CITY staff to discover a default or take prompt action to require the cure of any default shall not result in an equitable estoppel, but CITY shall at all times have the legal right to require the cure of any default when and as such defaults are discovered or when and as the City Council directs the City Manager to take action or require the cure of any default after such default is brought to the attention of the City Council by the City Manager or by any concerned citizen.

4.5 Eminent Domain. If all or part of the premises are taken through condemnation proceedings or under threat of condemnation by any public authority with the power of eminent domain, the interests of CITY and LESSEE (or beneficiary or mortgagee) will be as follows:

- a. In the event the entire premises are taken, this lease shall terminate on the date of the transfer of title or possession to the condemning authority, whichever first occurs.
- b. In the event of a partial taking, if, in the opinion of CITY, the remaining part of the premises is unsuitable for the lease operation, this lease shall terminate on the date of the transfer of title or possession to the condemning authority, whichever first occurs.
- c. In the event of a partial taking, if, in the opinion of CITY, the remaining part of the premises is suitable for continued lease operation, this lease shall terminate in regard to the portion taken on the date of the transfer of title or possession to the condemning authority, whichever first occurs, but shall continue for the portion not taken. The minimum rent shall be equitably reduced to reflect the portion of the premises taken.
- d. Award. All monies awarded in any such taking shall first be used to pay the bonded indebtedness on the leasehold improvements. Any remainder shall belong to CITY, whether such taking results in diminution in value of the leasehold or the fee or both; provided, however, LESSEE shall be entitled to any award attributable to the

taking of, or damages to LESSEE'S then remaining leasehold interest in installations or improvements of LESSEE. CITY shall have no liability to LESSEE for any award not provided by the condemning authority.

- e. Transfer. CITY has the right to transfer CITY'S interests in the premises in lieu of condemnation to any authority entitled to exercise the power of eminent domain. If a transfer occurs, LESSEE shall retain whatever interest it may have in the fair market value of any improvements placed by it on the premises in accordance with this lease.
- f. No Inverse Condemnation. The exercise of any CITY right under this lease shall not be interpreted as an exercise of the power of eminent domain and shall not impose any liability upon CITY for inverse condemnation.

SECTION 5: INSURANCE RISKS/SECURITY

5.1 Indemnity. LESSEE agrees to defend, indemnify, protect, and hold the CITY, its agents, officers, and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to LESSEE'S employees, invitees, guests, agents, or officers, which arise out of or are in any manner directly or indirectly connected with the development or operation of the leasehold or the work and operations to be performed under this agreement, and all expenses of investigating and defending against same; provided, however, that LESSEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of the CITY, its agents, officers, or employees.

5.2 Insurance.

- a. LESSEE shall take out and maintain at all times during the term of this lease the following insurance at its sole expense:
 - (1) Public liability and property damage insurance in the amount of not less than Five Million Dollars (\$5,000,000) Combined Single Limit Liability with an occurrence claims form. This policy shall cover all injury or damage, including death, suffered by any party or parties from acts or failures to act by CITY or LESSEE or by authorized representatives of CITY

or LESSEE on or in connection with the use or operation of the premises.

- (2) Fire, extended coverage, and vandalism insurance policy on all insurable property on the premises in an amount to cover 100 percent of the replacement cost. Except as provided below, any proceeds from a loss shall be payable jointly to CITY and LESSEE. The proceeds shall be placed in a trust fund to be reinvested in rebuilding or repairing the damaged property. If there is a mortgage or trust deed on the leasehold in accordance with Section 4.3, Encumbrance, hereof, the proceeds may be paid to the approved mortgagee or beneficiary so long as adequate provision reasonably satisfactory to CITY has been made in each case for the use of all proceeds for repair and restoration of damaged or destroyed improvements on the premises. In the event LESSEE issues the Bonds, any proceeds from a loss with respect to property financed with the Bonds shall be applied to the repair of such property or the repayment of the Bonds, and no such proceeds shall be paid to LESSEE.

b. LESSEE'S responsibility to maintain said insurance also includes the following:

- (1) Additional Insured. All insurance policies will name CITY as an additional insured, protect CITY against any legal costs in defending claims, and will not terminate without sixty (60) days' prior written notice to CITY. All insurance companies must be satisfactory to CITY and licensed to do business in California. All policies will be in effect on or before the first day of the lease, except "course of construction fire insurance" shall be in force on commencement of all authorized construction on the premises, and full applicable fire insurance coverage shall be effective upon completion of each insurable improvement. A copy of the insurance policy will remain on file with CITY during the entire term of the lease. At least thirty (30) days prior to the expiration of each policy, LESSEE shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the terms of this lease.

- (2) Modification. CITY, at its discretion, may require the revision of amounts and coverages at any time during the term by giving LESSEE sixty (60) days' prior written notice. CITY'S requirements shall be designed to assure protection from and against the kind and extent of risk existing on the premises. LESSEE also agrees to obtain any additional insurance required by CITY for new improvements, in order to meet the requirements of this lease.
- (3) Accident Reports. LESSEE shall report to CITY any accident causing more than Ten Thousand Dollars (\$10,000) worth of property damage or any serious injury to persons on the premises. This report shall contain the names and addresses of the parties involved, a statement of the circumstances, the date and hour, the names and addresses of any witnesses, and other pertinent information.
- (4) Failure to Comply. If LESSEE fails or refuses to take out and maintain the required insurance or fails to provide the proof of coverage, CITY has the right to obtain the insurance. LESSEE shall reimburse CITY for the premiums paid with interest at the maximum allowable legal rate then in effect in California. CITY shall give notice of the payment of premiums within thirty (30) days of payment stating the amount paid, names of the insurer(s), and rate of interest. Said reimbursement and interest shall be paid by LESSEE on the first (1st) day of the month following the notice of payment by CITY.

Notwithstanding the preceding provisions of this Subsection (4), if LESSEE fails or refuses to take out or maintain insurance as required in this lease or fails to provide the proof of insurance, CITY has the right to declare this lease in default without further notice to LESSEE, and CITY shall be entitled to exercise all legal remedies in the event of such default.

- 5.3 Waste, Damage, or Destruction. LESSEE agrees to give notice to CITY of any fire or other damage that may occur on the leased premises within ten (10) days of such fire or damage. LESSEE agrees not to commit or suffer to be committed any waste or injury or any public or private nuisance, to keep the premises clean and clear of refuse and obstructions, and to dispose of all garbage, trash, and rubbish in a manner satisfactory to CITY. If the leased premises shall be damaged by

any cause which puts the premises into a condition which is not decent, safe, healthy, and sanitary, LESSEE agrees to make or cause to be made full repair of said damage and to restore the premises to the condition which existed prior to said damage; or, at CITY'S option, LESSEE agrees to clear and remove from the leased premises all debris resulting from said damage and rebuild the premises in accordance with plans and specifications previously submitted to CITY and approved in writing in order to replace in kind and scope the operation which existed prior to such damage, using for either purpose the insurance proceeds as set forth in Section 5.2, Insurance, hereof.

LESSEE agrees that preliminary steps toward performing repairs, restoration, or replacement of the premises shall be commenced by LESSEE within thirty (30) days, and the required repairs, restoration, or replacement shall be completed within a reasonable time thereafter.

SECTION 6: IMPROVEMENTS/ALTERATIONS/REPAIRS

- 6.1 Acceptance of Premises. By signing this lease, LESSEE represents and warrants that it has independently inspected the premises and made all tests, investigations, and observations necessary to satisfy itself of the condition of the premises. LESSEE agrees it is relying solely on such independent inspection, tests, investigations, and observations in making this lease. LESSEE further acknowledges that the premises are in the condition called for by this lease, that CITY has performed all work with respect to the premises, and that LESSEE does not hold CITY responsible for any defects, whether apparent or latent, in the premises, including the presence of any hazardous wastes.
- 6.2 Entry and Inspection. CITY reserves and shall always have the right, but not the obligation, to enter said premises for the purpose of viewing and ascertaining the condition of the same, or to protect its interests in the premises, or to inspect the operations conducted thereon. In the event that such entry or inspection by CITY discloses that said premises are not in a decent, safe, healthy, and sanitary condition, CITY shall have the right, after ten (10) days' written notice to LESSEE, to have any necessary maintenance work done at the expense of LESSEE, and LESSEE hereby agrees to pay promptly any and all costs incurred by CITY in having such necessary maintenance work done, in order to keep said premises in a decent, safe, healthy, and sanitary condition. Further, if at any time CITY determines that said premises are not in a decent, safe, healthy, and sanitary condition, CITY may at its sole option, without additional notice, require LESSEE to file with CITY a faithful

performance bond to assure prompt correction of any condition which is not decent, safe, healthy, and sanitary. Said bond shall be in an amount adequate in the opinion of CITY to correct the said unsatisfactory condition. LESSEE shall pay the cost of said bond. The rights reserved in this section shall not create any obligations on CITY or increase obligations elsewhere in this lease imposed on CITY.

- 6.3 Maintenance. LESSEE and CITY agree that responsibility for maintenance of the premises shall be performed by LESSEE or CITY in conformance with Exhibit "B" hereto, which is by this reference incorporated herein. All repairs and replacements necessary to maintain and preserve the premises in a decent, safe, healthy, and sanitary condition shall be performed in an expeditious manner as needed, and in compliance with all applicable laws. With regard to CITY'S obligations for maintenance, the City Manager shall propose in the CITY'S annual budget that funds be made available for anticipated repairs and maintenance responsibilities. However, failure by the City Manager to propose adequate funds or failure by the City Council to approve a budget with funds adequate to perform such maintenance and repair responsibilities shall not constitute a default under this lease, and CITY shall not be responsible for any damage or liability which may result or be alleged to result from failure to provide such adequate funds. When CITY is informed of maintenance or repair requirements by LESSEE, the City Manager shall use his or her good faith efforts to request, if necessary, that the City Council authorize the expenditure of funds to perform such maintenance or repairs. As provided for above, however, failure by CITY to provide funding in any particular fiscal year, or at the request of the City Manager, shall not result in any liability for alleged or actual damages on the part of CITY.
- 6.4 Improvements/Alterations. No improvements, structures, or installations shall be constructed on the premises, and the premises may not be altered by LESSEE without prior written approval by the City Manager. Further, LESSEE agrees that major structural or architectural design alterations to approved improvements, structures, or installations may not be made on the premises without prior written approval by the City Manager and that such approval shall not be unreasonably withheld. This provision shall not relieve LESSEE of any obligation under this lease to maintain the premises in a decent, safe, healthy, and sanitary condition, including structural repair and restoration of damaged or worn improvements. CITY shall not be obligated by this lease to make or assume any expense for any improvements or alterations.

- 6.5 Utilities. Except as hereinafter provided, LESSEE agrees to order, obtain, and pay for all utilities and service and installation charges in connection with the development and operation of the leased premises, except for utilities shared between CITY and LESSEE. Shared utilities shall be paid by CITY, with LESSEE to monthly reimburse CITY for its portion. Current monthly reimbursement is \$3,400. Reimbursement will be based on the prior fiscal year's actual costs. All utilities will be installed underground. CITY shall provide reasonable amounts of water for use on the leased premises. The City Manager shall have sole and absolute discretion to determine what constitutes a "reasonable amount" for purposes of this paragraph.
- 6.6 Construction Bond. Whenever there is any construction to be performed on the premises, LESSEE shall deposit with CITY, prior to commencement of said construction, a faithful performance bond in the amount of 100 percent of the estimated construction cost of the work to be performed. The bond may be in cash or may be a corporate surety bond or other security satisfactory to CITY. The bond shall insure that the construction commenced by LESSEE shall be completed in accordance with the plans approved by CITY or, at the option of CITY, that the uncompleted construction shall be removed and the premises restored to a condition satisfactory to CITY. The bond or cash will be held in trust by CITY for the purpose specified above or at CITY'S option it may be placed in an escrow or other trust approved by CITY.
- 6.7 Liens. LESSEE shall at all times save CITY free and harmless and indemnify CITY against all claims for labor or materials in connection with operations, improvements, alterations, or repairs on or to the premises and the costs of defending against such claims, including reasonable attorneys' fees.

If improvements, alterations, or repairs are made to the premises by LESSEE or by any party other than CITY, and a lien or notice of lien is filed, LESSEE shall within five (5) days of such filing either:

- a. take all actions necessary to record a valid release of lien, or
 - b. file with CITY a bond, cash, or other security acceptable to CITY sufficient to pay in full all claims of all persons seeking relief under the lien.
- 6.8 Taxes. LESSEE agrees to pay, before delinquency, all taxes, assessments, and fees assessed or levied upon LESSEE or the premises, including the land, any buildings, structures, machines, equipment,

appliances, or other improvements or property of any nature whatsoever erected, installed, or maintained by LESSEE or levied by reason of the business or other LESSEE activities related to the leased premises, including any licenses or permits. LESSEE recognizes and agrees that this lease may create a possessory interest subject to property taxation, and that LESSEE may be subject to the payment of taxes levied on such interest, and that LESSEE shall pay all such possessory interest taxes. LESSEE further agrees that payment for such taxes, fees and assessments will not reduce any rent due CITY.

- 6.9 Signs. LESSEE agrees not to erect or display any exterior banners, pennants, flags, posters, signs, decorations, marquees, awnings, or similar devices or advertising without the prior written consent of the City Manager. Such approval shall not be unreasonably withheld. If any such unauthorized item is found on the premises, LESSEE agrees to remove the item at its expense within 24 hours notice thereof by CITY, or CITY may thereupon remove the item at LESSEE'S cost. However, LESSEE may submit a general plan for hanging outdoor banners for prior written approval by the City Manager.

6.10 Ownership of Improvements and Personal Property.

- a. Any and all improvements, trade fixtures, structures, and installations or additions to the premises now existing or constructed on the premises by LESSEE shall at lease expiration or termination be deemed to be part of the premises and shall become CITY'S property free of all liens and claims, except as otherwise provided in this lease. Upon the effective date of this lease, CITY hereby transfers title to LESSEE to the inventory of permanent exhibits and films listed on the attached Exhibit "C".
- b. LESSEE may use without charge the CITY-owned equipment listed on the attached Exhibit "D", including any subsequent replacements by CITY. LESSEE shall reasonably maintain said equipment and may not remove or dispose of any items without prior written permission from the City Manager.
- c. LESSEE-owned machines, appliances, equipment (other than trade fixtures), and other items of personal property shall be removed by LESSEE by the date of the expiration or termination of this lease. Any said items which LESSEE fails to remove will be considered abandoned and become CITY'S property free of all claims and liens, or CITY may, at its option, remove said items at LESSEE'S expense.

- d. If any removal of such personal property by LESSEE results in damage to the remaining improvements on the premises, LESSEE agrees to repair all such damage.
 - e. Notwithstanding any of the foregoing, in the event LESSEE desires to dispose of any of its personal property used in the operation of said premises upon expiration or termination of this lease, then CITY shall have the first right to acquire or purchase said personal property.
 - f. Notwithstanding any of the foregoing, in the event the Bonds are issued and LESSEE defaults in its payments under the Bonds, CITY shall have an exclusive option, but absolutely no obligation, to purchase the property financed by the Bonds and additions to that property for the amount of the outstanding indebtedness and accrued interest to the date of default. CITY shall have 1) not less than ninety (90) days from the date it is notified by LESSEE of the default in which to exercise the option, and 2) not less than ninety (90) days from the date it exercises the option to purchase the property.
- 6.11 Unavoidable Delay. If the performance of any act required of CITY or LESSEE is directly prevented or delayed by reason of strikes, lockouts, labor disputes, unusual governmental delays, acts of God, fire, floods, epidemics, freight embargoes, or other causes beyond the reasonable control of the party required to perform an act, said party shall be excused from performing that act for the period equal to the period of the prevention or delay. In the event LESSEE or CITY claims the existence of such a delay, the party claiming the delay shall notify the other party in writing of such fact within ten (10) days after the beginning of any such claimed delay.
- 6.12 Development Plan. LESSEE agrees to develop the leased premises in accordance with the General Development Plan approved by the City Manager and filed in the Office of the City Clerk as part of this lease. The complete General Development Plan is included in Section 10.2 hereof. The City Manager or his designee shall have the authority to authorize changes to the plan provided that the basic concept may not be modified without City Council approval and a document evidencing any approved changes shall be filed in the Office of the City Clerk. Failure by LESSEE to comply with the General Development Plan shall constitute a major default and subject this lease to termination by CITY, subject to the default remedies of Section 4.4 hereof. The City Manager, in his sole discretion, may approve an extension to the date specified for

completion in the Development Plan of up to one (1) year without further City Council approval.

- 6.13 Hazardous/Toxic Waste. LESSEE will not allow the installation of additional underground storage tanks or release of hazardous substances in, on, under, or from the premises. For the purposes of this provision, a release shall include but not be limited to any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, or otherwise disposing of hazardous substances. "Hazardous substances" shall mean those hazardous substances listed by the Environmental Protection Agency in regularly released reports and any other substances incorporated into the State's list of hazardous substances. A copy of the presently effective EPA and the State lists is on file in the Office of the City Clerk as Document 769704 and by this reference is incorporated herein.

In the event of any release of a hazardous substance, LESSEE shall be responsible for all costs of remediation and removal of such substances in accordance with all applicable rules and regulations of governmental authorities.

LESSEE agrees to assume the defense of, indemnify, and hold CITY harmless from any and all claims, costs, and expenses related to environmental liabilities resulting from LESSEE'S operations on the premises, including but not limited to costs of environmental assessments, costs of remediation and removal, any necessary response costs, damages for injury to natural resources or the public, and costs of any health assessment or health effect studies.

If LESSEE knows or has reasonable cause to believe that any hazardous substance has been released on or beneath the premises, LESSEE shall give written notice to the City Manager within ten (10) days of receipt of such knowledge or cause for belief. Provided, however, if LESSEE knows or has reasonable cause to believe that such substance is an imminent and substantial danger to public health and safety, LESSEE shall notify the City Manager immediately upon receipt of this knowledge or belief and shall take all actions necessary to alleviate such danger. LESSEE will notify the City Manager immediately of any notice of violation received or initiation of environmental actions or private suits relative to the premises. In addition, LESSEE and LESSEE'S sublessees shall not utilize or sell any hazardous substance on the property without the prior written consent of CITY.

At any time within the twelve (12) months before the expiration or earlier termination of this lease, LESSEE, at CITY'S sole option, shall cause an environmental assessment of the premises to be completed by a professional environmental consultant registered with the State of California as a Professional Engineer, Certified Engineering Geologist, or Registered Civil Engineer. Said environmental assessment shall be obtained at the sole cost and expense of LESSEE and shall establish what, if any, hazardous substances exist on, in, or under the premises, and in what quantities. If any hazardous substances exist in quantities greater than that allowed by CITY, county, state, or federal laws, statutes, ordinances, or regulations, then said environmental assessment shall include a discussion of these substances with recommendations for remediation and removal necessary to effect compliance with those laws or statutes and estimates of the cost of such remediation or removal. LESSEE shall cause the remediation and/or removal recommended in the environmental assessment such that compliance with environmental law is achieved and shall be solely responsible for all costs and expenses incurred.

- 6.14 Asbestos Disclosure. CITY discloses to LESSEE that portions of the structural components of the premises may contain asbestos. LESSEE acknowledges having received notice from CITY of the presence of such asbestos in accordance with Health and Safety Code Section 25915. LESSEE shall disclose the existence of asbestos on the leased premises, as required by Health and Safety Code Section 25915. LESSEE agrees to indemnify and hold CITY harmless from any loss or claim which may result from the existence of asbestos on the leased premises.

SECTION 7: GENERAL PROVISIONS

7.1 Notices

- a. Any notice required or permitted to be given hereunder shall be in writing and may be served personally or by United States mail, postage prepaid, addressed to LESSEE at the leased premises or at such other address designated in writing by LESSEE; and to CITY as follows:

City Manager
Attention Real Estate Assets Manager
City Administration Building
202 "C" Street, M.S. 9B
San Diego, CA 92101-4155

or to any mortgagee, trustee, or beneficiary, as applicable, at such appropriate address designated in writing by the respective party.

- b. Any party entitled or required to receive notice under this lease may by like notice designate a different address to which notices shall be sent.

7.2 Compliance with Law. LESSEE shall at all times in the construction, maintenance, occupancy, and operation of the premises comply with all applicable laws, statutes, ordinances, and regulations of CITY, county, state, and federal governments at LESSEE'S sole cost and expense. In addition, LESSEE shall comply with any and all notices issued by the City Manager or his authorized representative under the authority of any such law, statute, ordinance, or regulation.

7.3 CITY Approval. The approval or consent of CITY, wherever required in this lease, shall mean the written approval or consent of the City Manager or his designee unless otherwise specified, without need for further resolution by the City Council. The City Manager also has the authority to make nonsubstantive changes to this lease form to accommodate LESSEE'S lender requirements, without need for further resolution by the City Council.

7.4 Nondiscrimination. LESSEE agrees not to discriminate in any manner against any person or persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status, or physical disability in LESSEE'S use of the premises, including but not limited to the providing of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment.

7.5 Compliance with CITY'S Equal Opportunity Contracting Program.

- a. Equal Opportunity Contracting. LESSEE acknowledges and agrees that it is aware of, and will comply with, City Council Ordinance No. 18173 (San Diego Municipal Code Sections 22.2701 through 22.2708, as amended), EQUAL EMPLOYMENT OPPORTUNITY OUTREACH PROGRAM, a copy of which is on file in the Office of the City Clerk and by this reference is incorporated herein. LESSEE and all of its subcontractors are individually responsible to abide by its contents.

LESSEE will comply with Title VII of the Civil Rights Act of 1964, as amended; Executive Orders 11246, 11375, and 12086; the

California Fair Employment Practices Act; and any other applicable federal and state laws and regulations hereafter enacted. LESSEE will not discriminate against any employee or applicant for employment on any basis prohibited by law.

LESSEE submitted and CITY acknowledges receipt of a current Work Force Report or a current Equal Employment Opportunity (EEO) Plan as required by Section 22.2705 of the San Diego Municipal Code, which sets forth the actions that LESSEE will take to achieve the CITY'S commitment to equal employment opportunities.

LESSEE agrees to insert the foregoing provisions in all subcontracts for any work covered by this lease agreement so that such provisions will be binding upon each subcontractor. LESSEE agrees that compliance with EEO provisions flowing from the authority of both parties will be implemented, monitored, and reviewed by the CITY'S Equal Opportunity Contracting Program staff.

- b. Local Business and Employment. LESSEE acknowledges that the City of San Diego seeks to promote employment and business opportunities for local residents and firms in all CITY contracts. LESSEE will, to the extent legally possible, solicit applications for employment, and bids and proposals for subcontracts, for work associated with this lease agreement from local residents and firms as opportunities occur. LESSEE agrees to hire qualified local residents and firms whenever feasible.

LESSEE understands that failure to comply with the above requirements and/or submitting false information in response to these requirements may result in termination of this lease agreement and debarment from participating in CITY contracts for a period of not less than one (1) year.

- 7.6 Partial Invalidity. If any term, covenant, condition, or provision of this lease is found invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect.
- 7.7 Legal Fees. In the event of any litigation regarding this lease, the prevailing party shall be entitled to an award of reasonable legal costs, including court and attorneys' fees.

- 7.8 Number and Gender. Words of any gender used in this lease shall include any other gender, and words in the singular number shall include the plural, when the tense requires.
- 7.9 Captions. The Lease Outline, section headings, and captions for various articles and paragraphs shall not be held to define, limit, augment, or describe the scope, content, or intent of any or all parts of this lease. The numbers of the paragraphs and pages of this lease may not be consecutive. Such lack of consecutive numbers is intentional and shall have no effect on the enforceability of this lease.
- 7.10 Entire Understanding. This lease contains the entire understanding of the parties. LESSEE, by signing this agreement, agrees that there is no other written or oral understanding between the parties with respect to the leased premises. Each party has relied on its own examination of the premises, advice from its own attorneys, and the warranties, representations, and covenants of the lease itself. Each of the parties in this lease agrees that no other party, agent, or attorney of any other party has made any promise, representation, or warranty whatsoever which is not contained in this lease.

The failure or refusal of any party to read the lease or other documents, inspect the premises, and obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on these actions. No modification, amendment, or alteration of this lease will be valid unless it is in writing and signed by all parties.

- 7.11 CITY Employee Participation Policy. It is the policy of CITY that all CITY contracts, agreements, or leases with consultants, vendors, or LESSEES shall include a condition that the contract, agreement, or lease may, at the sole option of CITY, be terminated by CITY, subject to the default remedies of Section 4.4 hereof, if the contractor or LESSEE employs an individual who, within the twelve months immediately preceding such employment, did in his/her capacity as a CITY officer or employee participate in negotiations with or otherwise have an influence on the recommendation made to the City Council in connection with the selection of the contractor or LESSEE. It is not the intent of this policy that these provisions apply to members of the City Council.
- 7.12 Drug-free Workplace. LESSEE shall be required to abide by the omnibus drug legislation passed by Congress on November 18, 1988, by adopting and enforcing a policy to maintain a drug-free workplace by doing all of the following:

- a. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of controlled substances are prohibited on the leasehold and specifying the actions that will be taken against employees for violations of the prohibition.
- b. Establishing a drug-free awareness program to inform employees about all of the following:
 - (1) The dangers of drug abuse in the workplace.
 - (2) The LESSEE'S policy of maintaining a drug-free workplace.
 - (3) Any available drug counseling, rehabilitation, and employees assistance programs.
 - (4) The penalties that may be imposed upon employees' for drug abuse violations.
- c. LESSEE shall include in each sublease agreement language which indicates the sublessee's agreement to abide by the provisions of a drug-free workplace. LESSEE and sublessees shall be individually responsible for their own drug-free workplace programs.

7.13 Disabled Access Compliance. LESSEE agrees to comply with the California Government Code, Sections 11135-11139.5; the Federal Rehabilitation Act of 1973, Section 504, Title V; the Americans with Disabilities Act of 1990 (ADA); and any other applicable state and federal laws and regulations hereafter enacted protecting the rights of people with disabilities. LESSEE'S compliance shall include but not necessarily be limited to the following:

- a. LESSEE shall not discriminate against qualified persons with disabilities in any aspects of employment, including recruitment, hiring, promotions, conditions and privileges of employment, training, compensation, benefits, discipline, layoffs, and termination of employment.
- b. No qualified individual with a disability may be excluded on the basis of disability from participation in, or be denied the benefits of, services, programs, or activities of LESSEE.

- c. LESSEE shall post a statement addressing the requirements of the ADA in a prominent place at the work site.
- d. Where required by law, LESSEE shall comply with CITY'S disabled access requirements by bringing up to code and making accessible any areas of the premises which deny access to disabled persons. All such improvements and alterations shall be at the sole cost of LESSEE.
- e. LESSEE shall include language in each sublease agreement which indicates the sublessee's agreement to abide by the foregoing provisions. LESSEE and sublessees shall be individually responsible for their own ADA employment programs.

LESSEE understands that failure to comply with the above requirements and/or submitting false information in response to these requirements shall constitute a default under this lease.

- 7.14 Corporate Authority. Each individual executing this lease on behalf of LESSEE represents and warrants that he/she is duly authorized to execute and deliver this lease on behalf of said corporation, in accordance with a duly adopted resolution of the Board of Directors of the corporation or in accordance with the bylaws of the corporation, and that this lease is binding upon the corporation in accordance with its terms, and that LESSEE is a duly qualified corporation and all steps have been taken prior to the date hereof to qualify LESSEE to do business in the state where the premises are situated.
- 7.15 Standard of Employees. LESSEE and its employees shall at all times conduct themselves and the operations on the leased premises in a creditable manner.
- 7.16 Supersedure. Subject to Section 1.1 hereof, it is mutually agreed that this lease, upon the effective date hereof, supersedes and annuls those certain agreements as follows:

Operating Agreement with San Diego Hall of Science, filed May 21, 1979, as City Clerk Document 766363.

Memorandum of Understanding with San Diego Space and Science Foundation, dated September 9, 1987, filed with City Clerk Document 766363.

Joint Exercise of Powers Agreement with the County of San Diego, filed March 26, 1971, as City Clerk Document 735389.

Ground Lease with the San Diego Planetarium Authority, filed April 19, 1971, as City Clerk Document 735606.

Sublease to the City of San Diego, filed April 19, 1971, as City Clerk Document 735607.

The above agreements are hereafter void and of no effect except as to any rentals and fees which may have accrued or any rights and remedies accrued or granted to CITY under such agreements. Should LESSEE fail to satisfy the contingent conditions in Section 1.1 hereof and this lease is terminated pursuant to said section, then the aforesaid operating agreement and memorandum of understanding (Document 766363) shall supersede this lease and return to full force and effect.

SECTION 8: SPECIAL PROVISIONS

- 8.1 CITY Funds. During the term of this lease, CITY may provide funds to help defray the cost of operation and maintenance of the premises in amounts to be determined annually by the City Council, provided, however, that nothing in this agreement shall commit the CITY to provide any funds to LESSEE to help defray the cost of operation and maintenance of the premises.
- 8.2 Payments. Funds, if any, provided to LESSEE by CITY for the operation of the premises shall be paid to LESSEE in twelve (12) equal monthly installments during each fiscal year.
- 8.3 Covenants by LESSEE. The policies established by LESSEE for the operation of the premises shall conform to the general policies established by CITY for the use and operation of its cultural and educational facilities.
- 8.4 Board of Trustees. A Board of Trustees (the "Board") shall be elected by LESSEE. The activities and affairs of LESSEE shall be exercised by or under the direction of the Board. The Board may, however, hire an officer, known as the Executive Director, to act as the general manager and chief executive officer of LESSEE and who shall be authorized by the Board to handle the day-to-day affairs and business of LESSEE.

- 8.5 Admission Fees. As specified in Section 1.9, Rates and Charges, hereof, LESSEE shall have the right to charge reasonable admission fees; however, at least one day per month shall be designated by LESSEE as a day when no fees for general admission shall be charged, except for film showings. The schedule of admission fees shall be subject to prior written approval by the City Manager.
- 8.6 Use of CITY Funds. CITY funds shall not be used for acquisition of exhibition objects, educational programs, scientific publications, field trips and research, other than that which has as its object the preparation of exhibits. In accordance with CITY'S policies, CITY funds may be expended for utilities, custodial, and security services, materials and personnel engaged in preparing science center exhibits for public display in a scientific manner. CITY funds may also be used for administrative and office personnel and for salaries of curators and others engaged in the normal operation of the premises. LESSEE shall not use, directly or indirectly, any of the funds received from CITY under this lease for any political or religious activities whatsoever.
- 8.7 Use of Proceeds. LESSEE agrees that all income and proceeds received by LESSEE from the operation of the leased premises shall be utilized for purposes of the continued operation, maintenance, and improvement of the leased premises and for purposes incidental thereto. Certification of LESSEE'S compliance with the requirements of this section shall be specifically set forth in LESSEE'S annual financial report as provided for in Section 8.8 hereof.
- 8.8 Annual Report. On or before October 1 of each year of this lease, LESSEE shall submit to the City Manager a financial report certified by an independent certified public accountant for the previous fiscal year of LESSEE. Said financial report shall include an operating statement and a report of net worth, and shall be in a form satisfactory to CITY and be subject to review and audit by the City Auditor. The final report shall be submitted within ninety (90) days of the expiration date of this lease and shall cover the period between the last report and the said expiration date.
- 8.9 Financial Records. LESSEE shall keep or cause to be kept true, accurate, and complete records, including double-entry books, a profit-and-loss statement and a balance sheet, making it possible at all times to determine the nature and amount of revenue and expenditures. All of LESSEE'S expenditures and transactions shall be supported by documents of original entry such as sales slips, cash register tapes, purchase invoices, and receipts. Documents supporting a profit-and-loss

statement shall be retained by LESSEE for a minimum period of five (5) years.

- 8.10 Accounting Procedures. LESSEE shall use generally accepted accounting practices as approved by the City Auditor.
- 8.11 Inspection of Records and Audit. All books, statements, documents, records and financial data of LESSEE shall be open at all times for inspection and audit by CITY upon reasonable notice. Further, CITY may conduct an audit of all books, statements, documents, records and financial data of LESSEE, or demand and receive from LESSEE the results of a complete audit as conducted by a certified public accountant at LESSEE'S expense in the event that (i) LESSEE'S executive director or other managing agent resigns, retires, or is discharged; (ii) a majority in the membership of LESSEE'S Board of Trustees changes; or (iii) the purposes for which LESSEE was created are materially or substantially changed.
- 8.12 Proposed Budget. LESSEE shall deposit with the City Manager by April 1 of each year copies of documents evidencing the proposed programs and financial status of LESSEE for the year for which support is required. Without limiting the generality of the foregoing, such documents shall include (i) a copy of LESSEE'S proposed programs, and (ii) a copy of a detailed operating budget showing expected sources of revenue and the nature of all proposed expenditures.
- 8.13 Activities and Inventory. LESSEE shall submit to the City Manager (i) a monthly report of LESSEE'S activities and attendance, and if requested by the City Manager, (ii) an annual inventory at the close of each fiscal year of any furnishings and other property of CITY which are in the custody of LESSEE, in a form satisfactory to CITY.
- 8.14 Personnel. All personnel provided for in the annual budget for operating the premises shall be employed by, and be the employees of, LESSEE. Said personnel shall not be subject in any way to the control of CITY.

SECTION 9: SIGNATURES

9.1 Signature Page.

IN WITNESS WHEREOF, this lease agreement is executed by CITY, acting by and through its City Manager, and by LESSEE, acting by and through its lawfully authorized officers.

THE CITY OF SAN DIEGO

Date 8/5/96

By Robert J. Collins
Real Estate Assets Manager

LESSEE: SAN DIEGO SPACE AND
SCIENCE FOUNDATION

Date 5/15/96

By [Signature]
By _____

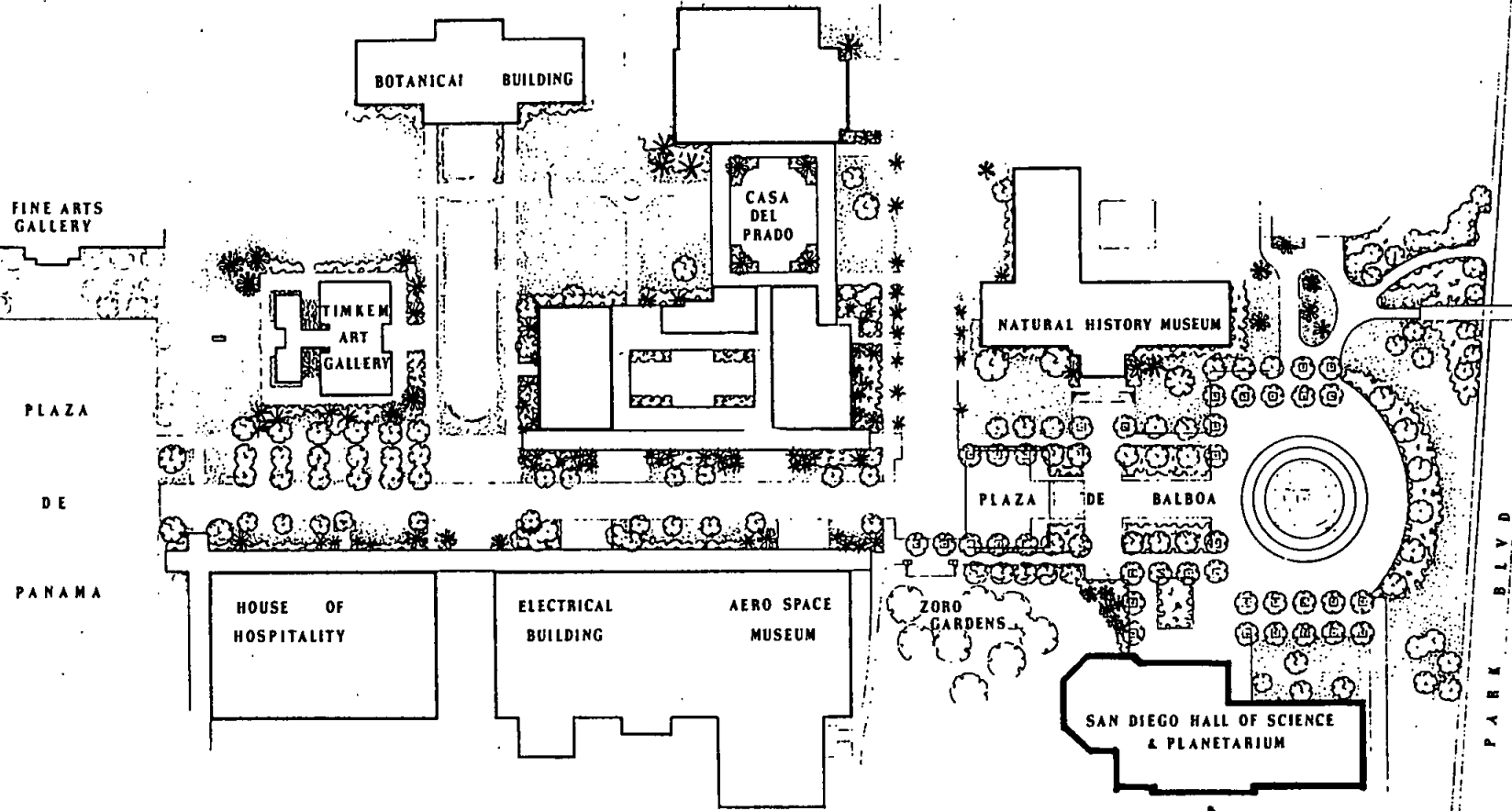
APPROVED as to form and legality this 6 day of August, 1996

JOHN W. WITT, City Attorney

By [Signature]
Deputy City Attorney

PTC:rc-j
4/16/96
I:\WFO\1996\CRAWFORD\LS.SDS

SECTION 10: EXHIBITS
10.1 Parcel Map(s) - Exhibit "A"



EAST PRADO AREA

Scale 1" = 40'

EXHIBIT A

-31-

10.2 General Development Plan.

The General Development Plan consists of:

- a. Plot Plan
- b. Development Schedule
- c. Estimated Construction Costs
- d. Financial Plan
- e. Schematic Elevations
- f. Others as applicable

and is attached hereto in its entirety.

10.3 Corporate Name.

SAN DIEGO SPACE AND SCIENCE FOUNDATION
CORPORATE NAME

I, Martin Winkler, certify that I am the
President of the corporation named in the attached
agreement; that Jeffrey W. Kirsch, who signed this agreement on behalf of
the corporation, was then Executive Director of said corporation; that said
agreement was duly signed for and on behalf of said corporation by authority of its
governing body, pursuant to a resolution duly adopted by its Board of Directors on
November 1, 19 94, and is within the scope of its corporate powers; and
that set out below are the names of the officers and directors of said corporation.

By 

CORPORATE SEAL

Name Martin Winkler
Title President

Name Rod Thompkins
Title First Vice President

Name Charles Knuff
Title Treasurer

Name Thomas Edwards
Title Secretary

BOARD ACTION REQUEST

Submitted by EXECUTIVE Committee, for tentative action at Board Meeting scheduled for November 1, 1994.

SUBJECT:

Adoption of lease agreement between the City of San Diego and the San Diego Space and Science Foundation.

BACKGROUND:

The Foundation currently operates the facility located in Balboa Park, known as the Reuben H. Fleet Space Theater and Science Center, under a month to month operating agreement with the City of San Diego. In order to facilitate the financing for the proposed expansion of the facility, the Foundation and the City wish to enter into a 40 year lease agreement. The lease is contingent upon the Foundation obtaining sufficient financing to construct planned improvements to the facility and commence construction of said improvements within two (2) years of the effective date of the lease.

MOTION:

Move that the Board of Trustees authorize the President and the Executive Director to execute a long-term lease agreement with the City of San Diego subject to a review by legal counsel.

FUNDING:

In lieu of cash rent, the consideration shall be the development, continuous operation and maintenance of the premises as described in the General Development Plan.

Signed: Frank W. Miller Position: _____
Approved by Board Frank W. Miller 1 Nov. 1994
(signature) (date)

10.4 Schedule of Rates and Charges.

CURRENT PRICE SCHEDULE:

REGULAR ADMISSION PRICES:

SCIENCE CENTER ONLY

Adult	\$ 2.50
Child	\$ 1.25
Senior	\$ 2.50

THEATER ONLY

Adult	\$ 6.00
Child	\$ 3.50
Senior	\$ 4.50

SCIENCE CENTER/THEATER COMBO

Adult	\$ 7.00
Child	\$ 4.00
Senior	\$ 5.50

LASER SHOW ONLY

Adult	\$ 7.00
Child	\$ 5.00
Senior	\$ 6.00

SCIENCE CENTER/LASER COMBO

Adult	\$ 8.00
Child	\$ 5.50
Senior	\$ 7.00

GROUP ADMISSION PRICES

Adult	20% Discount
Child	20% Discount
Senior	20% Discount

10.4 Schedule of Rates and Charges (continued).

PROPOSED PRICE SCHEDULE WITH EXPANSION:

REGULAR ADMISSION PRICES:

SCIENCE CENTER

Adult	\$ 4.00
Child	\$ 2.50
Senior	\$ 3.50

DOUBLE TICKET*

Adult	\$ 8.00
Child	\$ 5.50
Senior	\$ 7.00

TRIPLE TICKET**

Adult	\$ 10.00
Child	\$ 7.00
Senior	\$ 9.00

GROUP ADMISSION PRICES

Adult	20% Discount
Child	20% Discount on Double or Triple tickets only.
Senior	20% Discount on Double or Triple tickets only.

*Double Ticket includes entry to the Science Center and one admission to either the Space Theater or Simulation Theater.

**Triple Ticket includes entry to the Science Center and two additional admissions to the Space Theater and/or Simulation Theater.

Notes: Members are admitted free to the Science Center.

Prices may vary for special performances, evening performances or other special events as necessitated by business arrangements.

10.5 Schedule of Days and Hours of Operation.

PEAK OPERATING HOURS (SUMMER & HOLIDAYS) :

Sunday - Thursday	9:00a.m. - 10:30p.m.
Friday - Saturday	9:00a.m. - 12:00 midnight

NON-PEAK OPERATING HOURS:

Monday - Tuesday	9:00a.m. - 6:00p.m.
Wednesday, Thursday, Sunday	9:00a.m. - 10:30p.m.
Friday - Saturday	9:00a.m. - 12:00p.m.

Note: The facility is open 365 days per year. The above hours represent a general operating schedule; however, hours may vary from time to time for special performances or events. In the event the public building hours are extended beyond 9:00 a.m. to 12:00 midnight, prior written approval of the City Manager or his authorized representative is required.

System/Area	CITY'S Responsibilities	LESSEE'S Responsibilities
Fire Suppression System / Sprinkler System	None.	All inspections and maintenance of portable and permanently installed systems and equipment.
Alarms	None.	All sensors, alarms, wiring, etc., for security and fire alarm systems, including heat, smoke, motion, intrusion, etc.
Security	None.	All security, including interior and exterior locks, emergency boarding up and repair of doors and windows.
Displays and Additions	Approval of hookups and modifications of all types.	All installation, removal, and maintenance.
Elevators/Dumbwaiters	None.	All maintenance. Obtain and maintain permits, inspections, etc.
Floors/Floor Coverings	None.	All maintenance.
Windows/Glass	All glass in permanent windows and doors.	All glass in temporary partitions, displays, etc. All tinting film on windows.
Doors, Walls, Ceilings, Roof, and Metal Shades	All permanent exterior items.	All interior items and additions or modifications to existing equipment, structures, systems, displays, temporary installations, and window coverings (film, shades, blinds, drapes).
Plumbing/Electrical/HVAC	None.	All maintenance.
Custodial	None.	All, including providing paper products, soap, light bulbs and tubes. Cleaning adjacent to structures.
Vandalism	All CITY-owned items and permanent exterior structures, including windows.	All interior structures, temporary installations, collections, equipment, and displays owned by LESSEE.
Paint	All exterior painting.	All interior painting.

The above division of maintenance responsibilities notwithstanding, CITY'S obligation to perform maintenance of the premises is limited to availability of funds pursuant to Section 6.3 hereof.

PTC:rc-j

10-5-95

I:\WP01\1995\CRAWFORD\EX-10.6

10.7 List of SEE-owned Permanent Exhibits and Films - Exhibit "C".
REUBEN H. FLEET SCIENCE CENTER - EXHIBIT INVENTORY

	PERMANENT EXHIBITS	REPLACEMENT VALUE
	Antigravity Mirror	7,500
	Antique Displays	13,000
	Archimedes Screw	10,000
	A-Symmetry	1,900
	Benham's Disk	6,500
	Bernoulli Ball	6,500
	Bicycle Legs	20,000
	Bone Stress	7,000
	Catenary Arch	6,500
	Chaotic Pendulum I - magnetic	3,500
	Chaotic Pendulum II	4,500
	Cloud Chamber	25,000
	Convection Currents	6,500
	Coordination I	6,500
	Coordination II	6,500
	Coordination III	6,500
	Everyone is You & Me	3,500
	Ergometer	4,000
	Foot Fun	3,000
	Frequent Flasher	3,000
	Frozen Drops	5,500
	Gravity Well	15,000
	Heart and its Circulatory System (Capillaries)	25,000
	Heart is a Pump	8,500
	Heartsounds	18,000
	Heartvalves	13,000
	Hologram	7,500
	Image Tracers	7,000
	Invisible Forces	6,500
	Iris in Action	7,000
	Lens Table	7,000
	Lightning Globe	8,000
	Liquid Theorem	7,000
	Magic Wand	4,000
	Mask Corner	2,500
	Mirrorly a Window	6,500
	Moire Patterns	6,000
	Optical Illusions	1,500
	Pedal Power	6,000
	Periscope	20,000
	Phenakistoscope I	6,000
	Phenakistoscope II	6,000
	Primary Lights	7,000

11/9/94

[illegible]

Exhibit "C" (continued)

Reuben H. Fleet Space Theater & Science Center - Film Library
Films funded from Operations

<u>FILM</u>	<u>FORMAT</u>	<u>CONDITION</u>
Cosmos	Omnimax	Poor
Garden Isle	Omnimax	Poor
Ocean	Imax	Unrunable
Omni-News	Omnimax	Poor
Probes in Space	70 mm/24 fps	Unknown
Rivers of North America	Omnimax	Poor
Sacred Site	Omnimax	Fair
Standing Up Country	Omnimax	Poor
Storm	Omnimax	Unrunable
To The Limit	Imax	Fair
Tomorrow in Space	Omnimax	Unknown
Tomorrow in Space	Omnimax	Fair
Tomorrow in Space	8/70mm	Excellent
Viva Baja	Omnimax	Poor

CITY OF SAN DIEGO
AUDITOR & COMPTROLLER
REPORT NO. C90-990

FIXED ASSETS SYSTEM
LISTING OF EQUIPMENT (SPACE THEATER) AS OF 05/02/96

DATE: 05/02/96
TIME: 08 50 05
PAGE: 1

EQUIP OR BLDG KEY	DESCRIPTION	FUND	DEPT	ORGN	BLDG/ PROP	DOCUMENT OR ACRES	FY	CS	G	BATCH CN P	NUM	COST
079031	TRUCK LIFT S/N 20492	83000	920			01066 P055685	75			1337		1,153
102044	LENS IMAX C389	83000	920			10004 DP02092	78			9484		27,111
104088	PROJECTOR MOVIE EIKI 16 MM	83000	920			01066 NR00622	77			1638		850
104103	REVERB CHAMBER BX-10 S/N1125-E-1	83000	920			01066 NR00622	77			1638		1,815
104104	PARAMETRIC EQUALIZER S/N66603	83000	920			01066 NR00622	77			1638		740
104105	PIANO RHODES STAGE + PEDAL 611443	83000	920			01066 NR00622	77			4986		1,500
104106	MUTRON BIPHASE	83000	920			01066 NR00622	77			1638		315
104108	AMPLIFIER CROWN DC-300A	83000	920			01066 I900002	73			1638		250
104109	AMPLIFIER CROWN DC-300A	83000	920			01066 I900002	73			1638		250
104110	AMPLIFIER CROWN DC-300A	83000	920			01066 I900002	73			1638		250
104112	AMPLIFIER CROWN DC-300A	83000	920			01066 I900002	73			1638		250
104113	AMPLIFIER CROWN DC-300A	83000	920			01066 I900002	73			1638		250
104114	AMPLIFIER CROWN DC-300A	83000	920			01066 I900002	73			1638		250
104115	AMPLIFIER CROWN DC-300A	83000	920			01066 I900002	73			1638		250
104125	RECORDER-DUBBER MAGNATECH	83000	920			01066 NR00622	73			1638		12,000
139099	1740A OSCILLOSCOPE W/2 PROBES	83000	920			01066 INV.'85	85			1337		1,800
139100	WOW & FLUTTER ANALYZER BP/MDL/600	83000	920			01066 INV.'85	85			1337		485
139101	DISTORTION SOUND TECHNOLOGY 17A	83000	920			01066 INV.'85	85			1337		350
146814	IBM PC/XT (64071275160)	83000	920			01066 I890034	89			4104		3,240
146815	IBM PRO PRINTER 2272200	83000	920			01066 I900002	89			4104		500
146816	IBM COLOR DISPLAY 5153(1154128)	83000	920			01066 I890034	89			4104		475
146821	IBM MONO DISPLAY (3757461)	83000	920			01066 I890034	89			4104		275
146826	IBM MONO DISPLAY (3757436)	83000	920			01066 I890034	89			4104		275
146828	IBM PROPRINTER (2260439)	83000	920			01066 I890034	89			4104		500
174980	TYPEWRITER, BROTHERS EM811	83000	920			01066 I900002	89			4104		850
174983	HXR AMP ALTEC LANSING MOD.1715A	83000	920			01066 I890035	89			4104		725
174986	WORD PROCESSOR BROTHER MOD. 500	83000	920			01066 I890035	89			4104		700
179673	TWP IBM WHLWRT SELEC 111 S#5415508	83000	920			01066 I900004	89			4191		850
179674	TWP IBM WHLWRT 50 11 S#11-0009928	83000	920			01066 I900004	90			4191		950
179675	TWP IBM WHLWRT 50 11 S#11-0017738	83000	920			01066 I900004	90			4191		950
200424	AERIAL PLATFORM 24' LIFT 3893-3677	83000	920			01066 NR10549	94			5053		4,997
200425	HEPA FILTER VACUUM 84460138	83000	920			01066 NR10549	94			5053		957

NUMBER OF EQUIPMENT RCDS	=====>	32
NUMBER OF STRUCTURE RCDS	=====>	0
NUMBER OF LAND RCDS	=====>	0
TOTAL NUMBER OF RCDS	=====>	32
TOTAL COST	=====>	66,113

CITY OF SAN DIEGO
AUDITOR & COMPTROLLER
REPORT NO. C90-990

FIXED ASSETS SYSTEM
LISTING OF EQUIPMENT (PLANETARIUM) AS OF 05/02/96

DATE: 05/02/96
TIME: 08 49 26
PAGE: 1

EQUIP OR BLDG KEY	DESCRIPTION	FUND-	DEPT-	ORGN-	BLDG/ PROP	DOCUMENT OR ACRES	FY AC	CS CN	G P	BATCH NUM	-----COST-----
079001	PROJECTOR MOVIE 16MM VIEWLEX	97800	9708		01066	P055999	75			8577	550
079009	SCAFFOLD	97800	9708		01066	P055686	75			8577	809
079180	VACUUM CARPET PILE LIFTER HILD1116	97800	9708		01066	P056800	75			8577	486
079181	CARPET SWEEPER CLARK 576	97800	9708		01066	P056800	75			8577	220
079212	PROJECTOR SLIDE LANTERN	97800	9708		01066	P056945	75			8577	310
079426	CALCULATOR POCKET HP SN1302A29771	97800	9708		01066	P048483	75			1207	440
081903	ENLARGER OMEGA D2-VXL	97800	9708		01066	P070529	74			9512	373
107887	ITC CARTRIDGE REPRODUCER (MONO)	97800	9708		01066	INVTY79	78			8378	900
107888	ITC CARTRIDGE REPRODUCER (STEREO)	97800	9708		01066	INVTY79	78			8378	900
107889	ITC CARTRIDGE REPRODUCER (STEREO)	97800	9708		01066	INVTY79	78			8378	900
107890	MTH 8-TRK DUBBER	97800	9708		01066	INVTY79	78			8378	8,500
107891	EVENTIDE H910 HARMONIZER	97800	9708		01066	INVTY79	78			8378	1,300
107892	U87 NEUMANN MICROPHONE	97800	9708		01066	INVTY79	78			8378	900
131093	IBM TYPEWRITER CORR SELEC SW460005	97800	9708		01066	TAG REQ	84			1320	950
NUMBER OF EQUIPMENT RCDS =====>											14
NUMBER OF STRUCTURE RCDS =====>											0
NUMBER OF LAND RCDS =====>											0
TOTAL NUMBER OF RCDS =====>											14
TOTAL COST =====>											17,538

GENERAL DEVELOPMENT PLAN

A BRIEF OVERVIEW OF THE REUBEN H. FLEET SPACE THEATER AND SCIENCE CENTER EXPANSION

A Project of the San Diego Space and Science Foundation
October 1995

The Reuben H. Fleet Space Theater and Science Center will undergo a major expansion and renovation beginning in summer 1996, and continuing for 15 months. The scheduled launch date is fall 1997. A preparatory phase of the construction project, sponsored by the City of San Diego, included a renovation of the basement area as well as a new air conditioning system and was completed in 1992. The expansion has been designed in the Spanish Colonial style of the original building by the San Diego architectural firm of Delawie, Wilkes, Rodrigues, Barker & Bretton. It was approved as part of the Master Plan for Balboa Park in 1992.

The Fleet Center presently consists of the world's first Omnimax Theater / Planetarium (the Space Theater) and a Science Center with exhibition space of approximately 9,000 square feet. They will become the core of a new structure twice the present size. Total square footage will be 93,505 square feet, a 112% increase over the existing facility.

The addition will feature a new motion-base Simulation Experience, a major expansion of the Science exhibits area, and innovative educational facilities. The Space Theater sound system and electronic video projection facilities will be upgraded. The Challenger Learning Center which is now operated off site at La Mesa Parkway Middle School, will be brought into the new facility. A globally connected meeting room will be combined with three classroom facilities to make the Fleet Center the most advanced informal science education institution in the area. New employee facilities, offices, and administrative support areas will also be added.

The new Simulation Experience will be anchored by a revolutionary new motion-base simulator that will take visitors on science research "tours" and "missions." It is anticipated that two new productions will be developed for the motion base Simulator. One will be a San Diego "signature" experience based on a high-tech tour of San Diego. The other will be a Spacewatch mission scenario based on a science adventure to save Earth from an errant asteroid. The expanded facility will also include exhibits on Virtual Reality and other advanced simulation techniques, many of which are being developed in San Diego. We are currently working with a number of other museums to establish a Museum Simulation Network.

The Interactive Science Exhibits area will be doubled to 16,000 sq. ft. and will be equipped with major new exhibits that will feature developments in "information age" science and technology. The cornerstone of the expansion will be "Signals", a 4,500 sq. ft. exhibition on the packaging, transmission, and retrieval of information. We are especially interested in fields San Diegans are playing a key role, so the work of local companies and scientists will be featured.

On the North Side, a new and much improved entry rotunda will be added, and will provide public access to enhanced food facilities and retail areas.

The building will be open 365 days of the year, normally opening to the public at 9:30 AM and closing after the last scheduled evening Space Theater show. During the summer and holiday periods, this will be at 9:30 PM, Sunday through Thursday; and 11:00 PM on Friday and Saturday. Off peak closing hours will vary according to demand, but generally include closing at 6:00 PM on Monday and Tuesday, 9:30 PM on Wednesday and Thursday, 11:00 PM on Friday and Saturday, and 8:00 PM on Sunday.

Pricing for the new attractions will be on a graduated scale. The basic adult admission price will be \$4.00 for entry to the exhibit halls, adding on a Space Theater film or Simulation Experience will be an additional \$3.00. Adding a third attraction will be \$2.00 more. So, for \$9.00, an adult visitor can enjoy the exhibit halls, see an Omnimax film, and experience the wonder of simulation technologies. Evening pricing will be similar and will include a selection of evening Space Theater programs, such as Laser Light spectacles or the latest in Computer Graphic Animation.

The building will remain open during construction with minimal impact on the major revenue producing elements of the Fleet Center operations. We do anticipate some closure of Science Center sections and the current single classroom now available to us. However, we should be able to keep most of our exhibits open to the public throughout the construction period.

During construction the building will be entered on the North (Prado) side, necessitating that we route patrons parking in the South lots to go around the construction area. This will ease access to the building for most of the construction period. The south Wing will be completed by fall '97, thereby affording us the opportunity to open the completed project in time for the peak holiday season. Remodeling of office space will be the final phase of the project, with completion expected by late fall of '97.

**REUBEN H. FLEET SPACE THEATER & SCIENCE CENTER EXPANSION
APPROXIMATE CONSTRUCTION AND EQUIPMENT COSTS
AND SOURCES OF FUNDS**

BUILDING COSTS

CONSTRUCTION, DESIGN & PERMITS	\$6,625,000
CONSTRUCTION MANAGEMENT	75,000
	<u>6,700,000</u>

EQUIPMENT & FUNDRAISING

EQUIPMENT	1,875,000
EXHIBITS	1,625,000
FUNDRAISING	500,000
	<u>4,000,000</u>

FINANCE COSTS

LEGAL, CONSULTING, DOCUMENTATION, CLOSING FEES	300,000
CONSTRUCTION PERIOD INTEREST, net	400,000
	<u>700,000</u>

DEBT SERVICE RESERVE (10%)

600,000

TOTAL PROJECT BUDGET

\$12,000,000

SOURCES OF FUNDS

DEBT	\$6,000,000
CAPITAL CAMPAIGN	<u>6,000,000</u>

TOTAL SOURCES OF FUNDS

\$12,000,000

Project Schedule: Reuben H. Fleet Space Theater and Science Center Addition

Special Accelerated Schedule

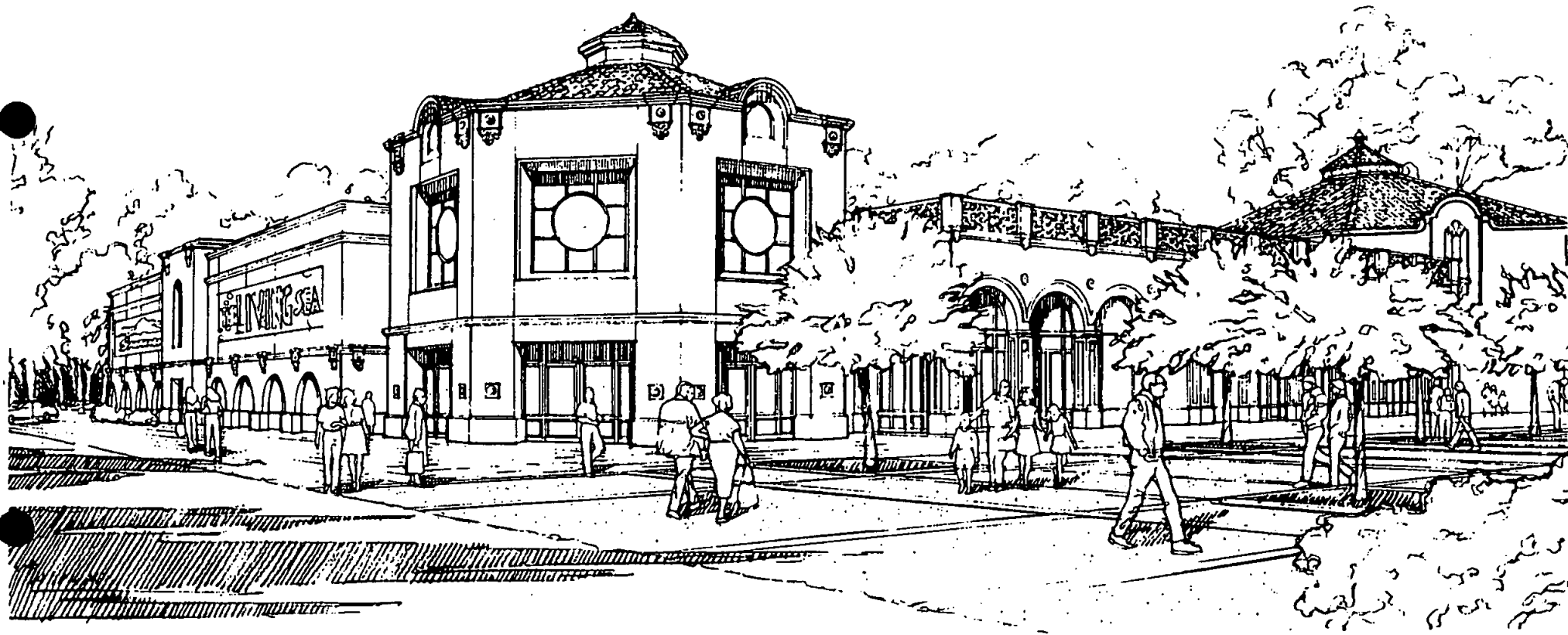
Activity	Month 1				Month 2				Month 3				Month 14				Month 15				Month 16				Month 17				Month 18			
	1	2	3	4	5	6	7	8	9	10	11	12	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72
Award contract	x																															
Pull Permit	x																															
Start electrical work		x						x																								
Electric switchover								x																								
Start construction								x							x																	
Punch Phase I															x	x																
Furnish Phase I																	x	x														
Move in Phase I																	x															
Start remodel																	x							x								
Punch remodel																									x							
Furnish remodel																										x	x					
Move in Phase II																													x			
As built drawings																												x			x	

SAN DIEGO SPACE AND SCIENCE FOUNDATION

Financial Plan

The Lessee intends to finance the construction portion of the project with tax-exempt bonds or a long-term loan from a bank in the amount of approximately \$6,000,000. The debt will be retired using revenues generated from the expanded facility.

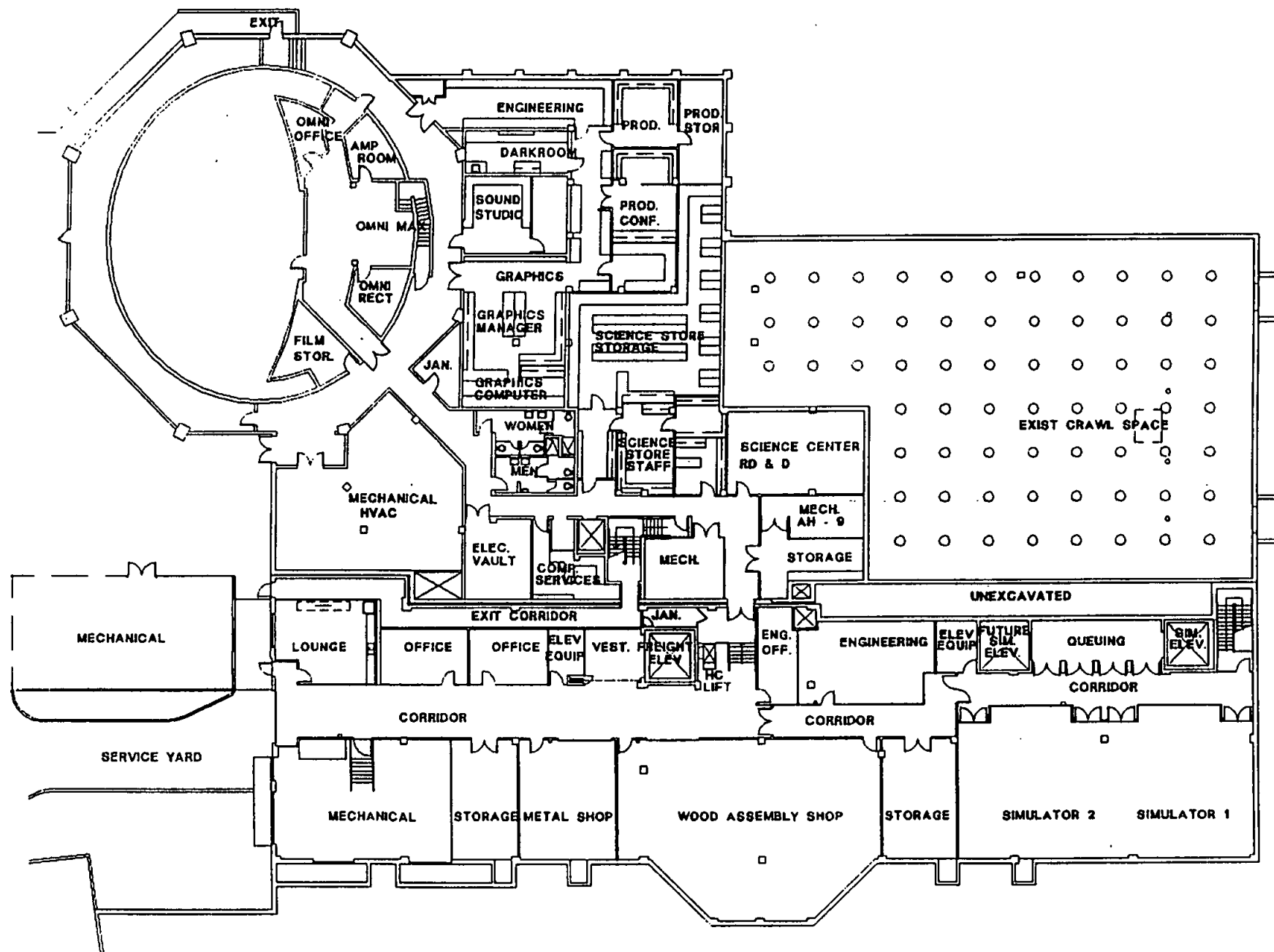
The Lessee intends to raise \$6,000,000 to purchase equipment and exhibits and to pay for part of the construction costs.



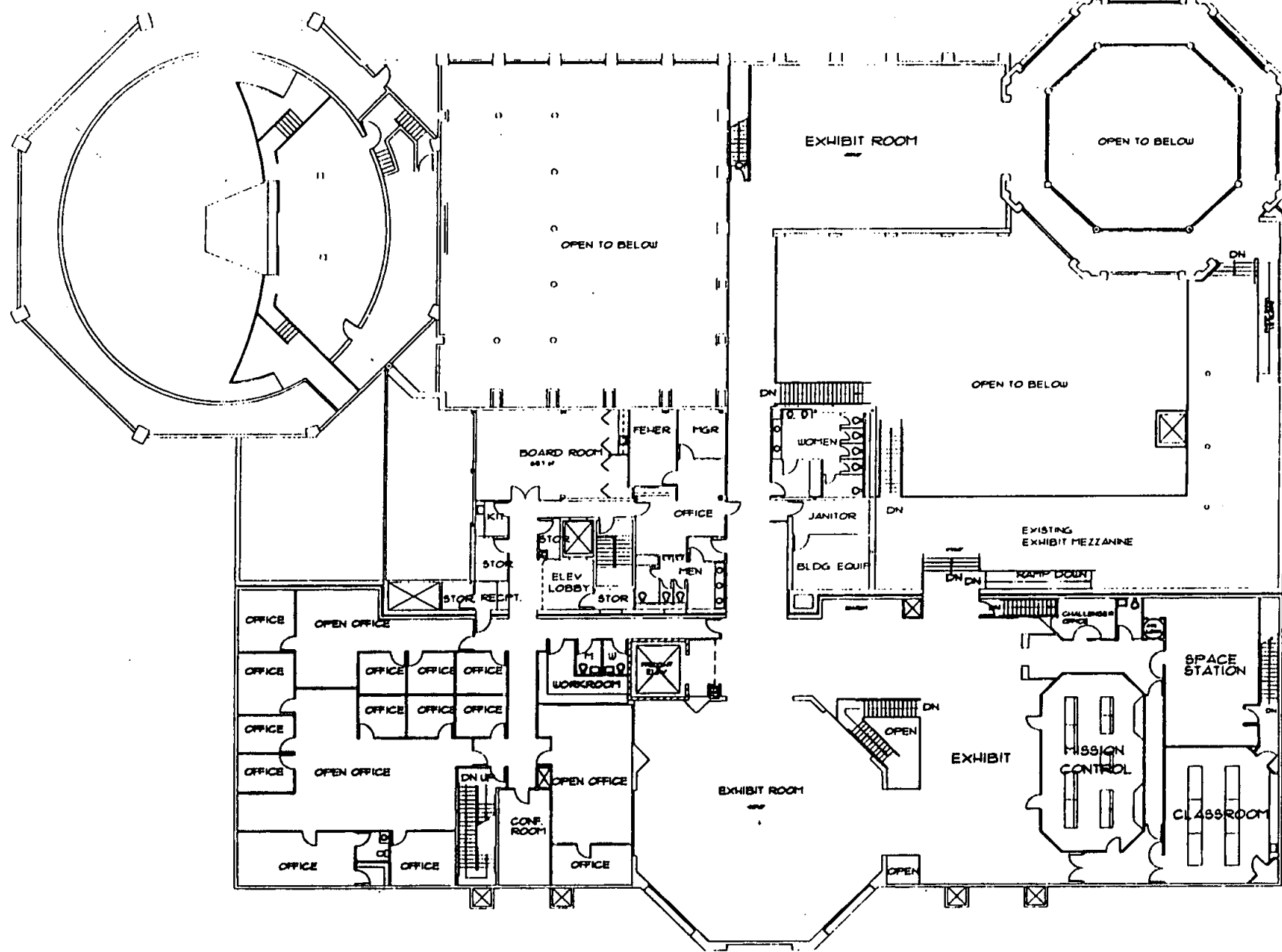
REUBEN H. FLEET SCIENCE CENTER
PLAZA DE BALBOA VIEW



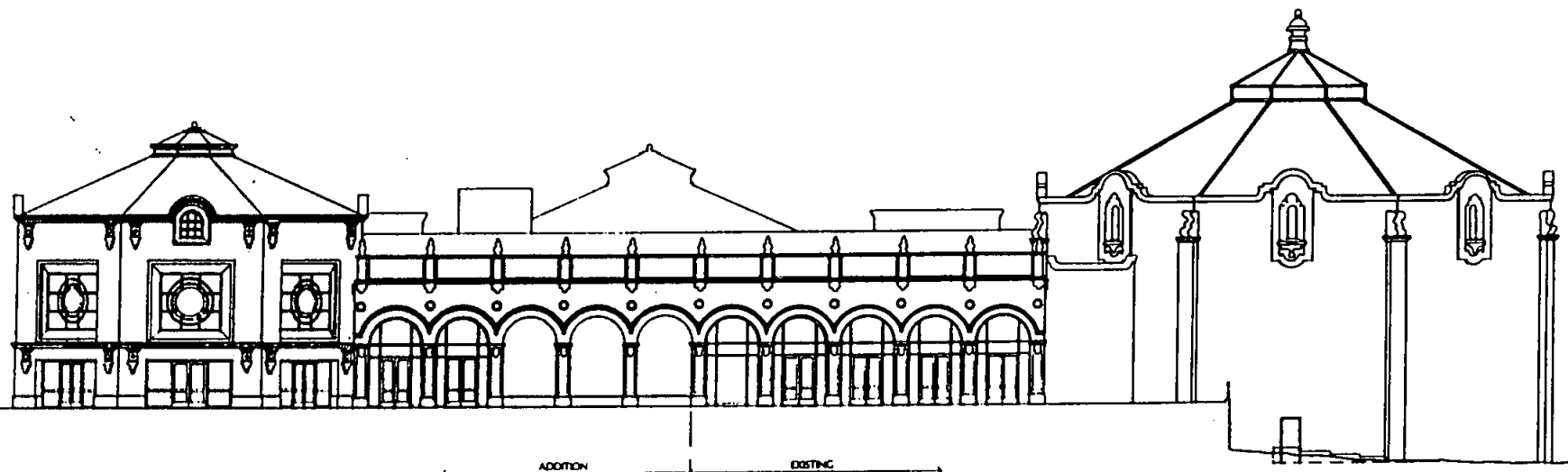
REUBEN H. FLEET SCIENCE CENTER
SOUTH VIEW



BASEMENT FLOOR PLAN

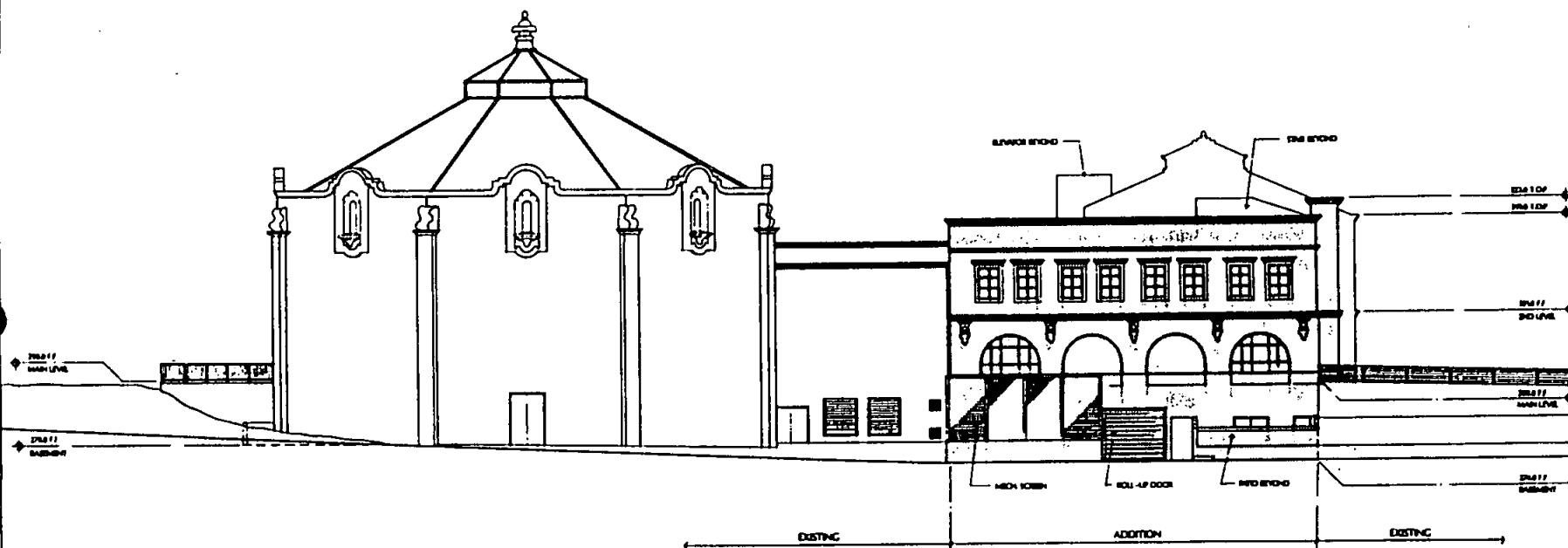


ALL WORK, MATERIALS AND METHODS TO BE USED SHALL BE THE PROPERTY OF THE ARCHITECT AND ARE TO BE USED IN CONNECTION WITH THE PROJECT ONLY AND SHALL NOT BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT.



NORTH ELEVATION

SCALE VF - 1/8"



WEST ELEVATION

SCALE VF - 1/8"

DELAUNE WILLES RODRIGUES BARBER & BRETTON
ARCHITECTS PC
1000 PINE STREET, SUITE 1000
SAN FRANCISCO, CA 94109
TEL: 415.774.1100
FAX: 415.774.1101
WWW.DWRBB.COM



11 of 12

DATE 6/23/91

REV 7/2/95

REUBEN H. FLEET
SPACE THEATER
AND
SCIENCE CENTER
EXPANSION

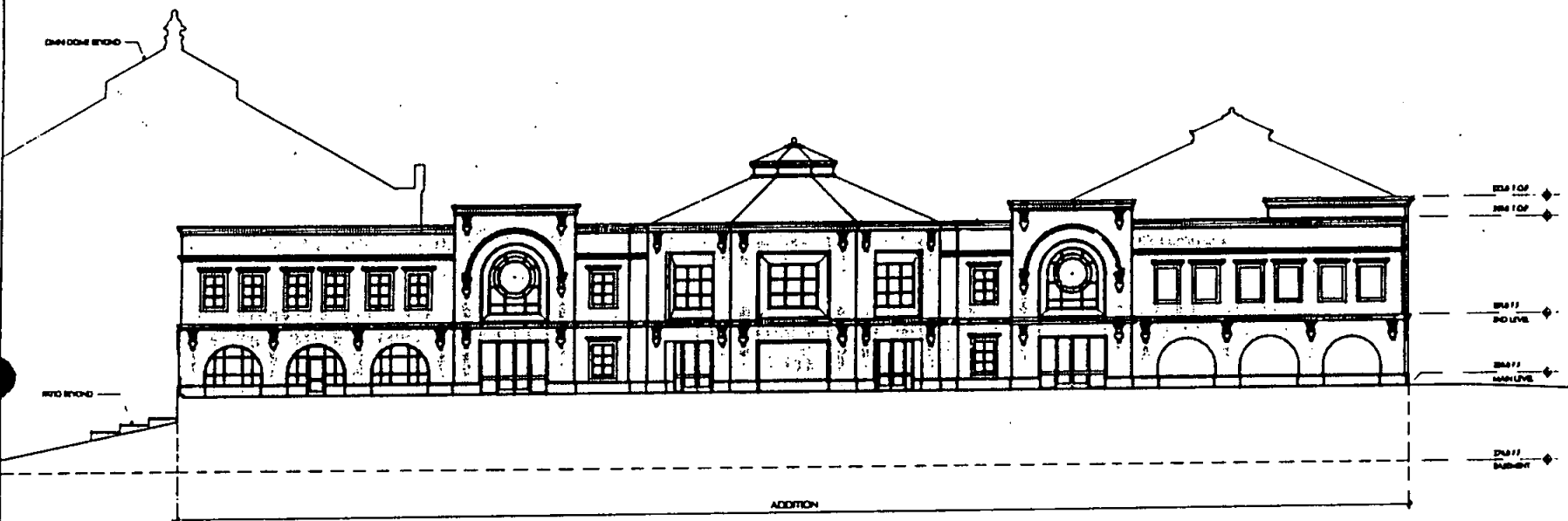
Job No.
Sheet No.

EXTERIOR
ELEVATIONS

Sheet No.

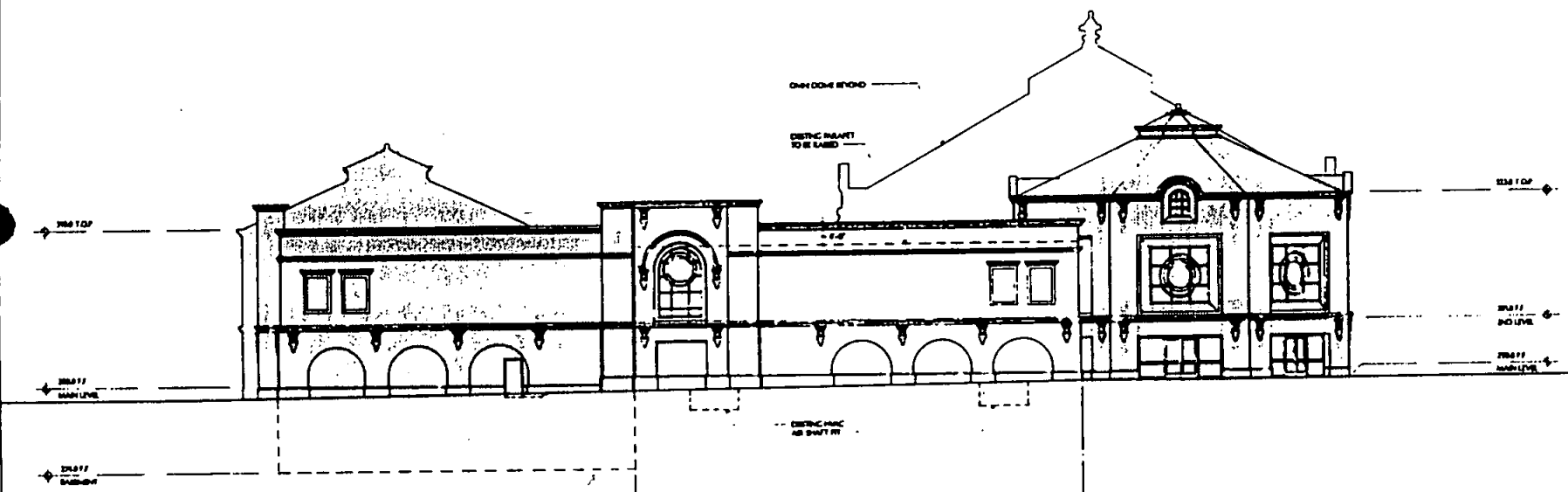
A3.1

ALL EXISTING CONDITIONS AND DIMENSIONS SHOWN ON THESE PLANS ARE THE PROPERTY OF THE ARCHITECT AND ARE TO BE USED IN CONNECTION WITH THE ARCHITECT'S DESIGN. NO PART OF THESE PLANS SHALL BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT.



SOUTH ELEVATION

SCALE: V.P. = 1/8"



EAST ELEVATION

SCALE: V.P. = 1/8"

DELAWARE ARCHITECTS ASSOCIATES & BREITON
ARCHITECTS, P.C.
1110 UNIVERSITY DRIVE, SUITE 200, WILMINGTON, DE 19804
TEL: 302.441.1111 FAX: 302.441.1112
WWW.DAABREITON.COM

PROJECT: REUBEN H. FLEET SPACE THEATER AND SCIENCE CENTER EXPANSION
SHEET: 12 OF 12
DATE: 6/23/93
REV: 7/2/93

REUBEN H. FLEET SPACE THEATER AND SCIENCE CENTER EXPANSION

EXTERIOR ELEVATIONS

A3.2

RESOLUTION NUMBER R- 287621

ADOPTED ON JUL 15 1996

BE IT RESOLVED, by the Council of The City of San Diego, that it is hereby certified that the information contained in Addendum No. 91-0791 to Environmental Impact Report No. 87-0207, on file in the office of the City Clerk, has been completed in compliance with the California Environmental Quality Act of 1970, as amended, and the State guidelines thereto (California Code of Regulations section 15000 et seq.), that the report and the addendum reflect the independent judgment of The City of San Diego as Lead Agency and that the information contained in said report and addendum, together with any comments received during the public review process, have been reviewed and considered by this Council in connection with the approval of a 30-year lease agreement with San Diego Space and Science Foundation.

BE IT FURTHER RESOLVED, that pursuant to California Public Resources Code section 21081 and California Code of Regulations section 15091, the City Council hereby adopts the findings made with respect to the project, a copy of which is on file in the office of the City Clerk and incorporated herein by reference.

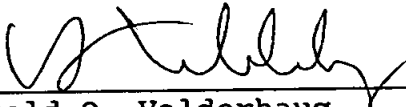
BE IT FURTHER RESOLVED, that pursuant to California Code of Regulations section 15093, the City Council hereby adopts the Statement of Overriding Considerations, a copy of which is on file in the office of the City Clerk and incorporated herein by reference, with respect to the project.

BE IT FURTHER RESOLVED, that pursuant to California Public

Resources Code section 21081.6, the City Council hereby adopts the Mitigation Monitoring and Reporting Program, or alterations to implement the changes to the project as required by this body in order to mitigate or avoid significant effects on the environment, a copy of which is on file in the office of the City Clerk and incorporated herein by reference.

APPROVED: JOHN W. WITT, City Attorney

By



Harold O. Valderhaug
Head Deputy City Attorney

HOV:ps
07/10/96
Or.Dept:REA
Job:221910
R-97-51
Form=r.eirgen&fcm

NOTICE OF DETERMINATION

TO: x County Clerk
County of San Diego
220 W. Broadway, MS C-11
San Diego, CA 92101

FROM: City of San Diego
Dev. Services Dept.
1222 1ST Ave, MS501
San Diego, CA 92101

DEP Number: 87-0207 & 91-0791

State Clearinghouse No.: N/A

Project Title: RUEBEN H. FLEET THEATER AND SCIENCE CENTER
EXPANSION

Project Location: Balboa Park Located west of Park Boulevard
south of the fountain and Village Place.

Project Description: City Council approval of the expansion of
the theater and center from existing 532,155
square feet to 115,787 s.f.

This is to advise that the City of San Diego CITY COUNCIL on
JUL 15 1996 approved the above described project and made the
following determinations:

1. The project in its approved form will, x will not, have
a significant effect on the environment.
2. x An Environmental Impact Report as addended was prepared
for this project and certified pursuant to the
provisions of CEQA. **R-287621**
 A Negative Declaration (DEP No. 95-0691) was
prepared for this project pursuant to the provisions
of CEQA.

Record of project approval may be examined at the above
address.

3. Mitigation measures x were, were not, made a condition
of the approval of the project.

It is hereby certified that the final environmental document is
available to the general public at the office of the Land
Development Review, Fifth Floor, 1222 First Avenue, Mail Station
501, San Diego, CA 92101.

Analyst: John M. Kovac
Sr. Env. Planner

Telephone: (619)

Filed by: Lori A. Hehn

Deputy City Clerk
Title

CALIFORNIA DEPARTMENT OF FISH AND GAME
CERTIFICATE OF FEE EXEMPTION

*De Minimis Impact Finding or
One Fee Per Project Provision*

Project Title/Location (include county): RUEBEN H. FLEET SPACE
THEATER EXPANSION
Balboa Park
City/County of San Diego

DEP NO. 87-0207 (as addended by 91-0791)

SCH NO. N/A

Project Applicant: City of San Diego

Project Description:

SAN DIEGO CITY COUNCIL APPROVAL of RUEBEN H. FLEET THEATER AND SCIENCE CENTER EXPANSION. The proposal would expand the existing 53,155 square feet to 115,787 s.f. Minimal expansion is proposed northward towards the Prado; the bulk of the expansion would be south into the existing paved parking lot.

Findings of Exemption (attach as necessary):

An Environmental Impact Report (DEP No. 87-0207) as addended (DEP No. 91-0791) have been prepared for the project. The report concludes that the project result in a de minimis impact to wildlife resources as all of the following apply:

1. No significant biological resources exist on potential project sites.
2. The project would have no adverse impacts on biological resources located offsite.
3. No biological studies were requested for the project.
4. No mitigation measures are proposed to address impacts to biological resources.
5. No conditions in any discretionary actions associated with the project address biological resource issues.
6. No broader impacts on a habitat (for example - urban runoff effects on wetland) were identified.

Certification:

I hereby certify that the public agency has made the above finding and that the project will not individually or cumulatively have an adverse effect on wildlife resources, as defined in Section 711.2 of the Fish and Game Code.

Tina Christiansen, Manager

By: 

(Chief Planning Official)

Title: Senior Env. Planner (619) 236-6268

Lead Agency: City of San Diego (619) 236-6268

Date: July 15, 1996

(O-96-174)
Corrected 7/9/96

ORDINANCE NUMBER O- 18324 (NEW SERIES)

ADOPTED ON JUL 29 1996

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE
A 30-YEAR LEASE AGREEMENT WITH SAN DIEGO SPACE AND
SCIENCE FOUNDATION

BE IT ORDAINED, by the Council of The City of San Diego, as
follows:

Section 1. That the City Manager is hereby authorized to
execute, for and on behalf of The City of San Diego, a 30-year
lease agreement with SAN DIEGO SPACE AND SCIENCE FOUNDATION, a
California nonprofit corporation, for development, operation, and
maintenance of a space theater and related uses in Balboa Park,
under the terms and conditions set forth in that lease agreement
on file in the office of the City Clerk as Document No.

00-18324.

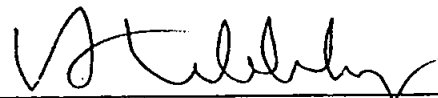
Section 2. That, regardless of a later effective date of
this ordinance, the payment required under Section 3.2 of said
new lease agreement shall be applicable to the fiscal year 1997
payment which is due August 1, 1996.

Section 3. That the City of San Diego as Lead Agency has
reviewed and considered the final environmental document.

Section 4. This ordinance shall take effect and be in force on the thirtieth day from and after its passage.

APPROVED: JOHN W. WITT, City Attorney

By



Harold O. Valderhaug
Head Deputy City Attorney

HOV:cdk:ps

06/27/96

07/09/96 CORR.COPY

Or.Dept:REA

O-96-174

Form=o+t

CONSENT TO SUBLEASE

CONSENT TO SUBLEASE AGREEMENT

The City of San Diego (CITY), as LESSOR under that certain Lease Agreement (Master Lease) entered into with

SAN DIEGO SPACE AND SCIENCE FOUNDATION

(LESSEE), and filed in the Office of the City Clerk as Document #00-18324, hereby consents to that certain Sublease between the above LESSEE (SUBLESSOR) and

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

(SUBLESSEE), dated as of December 1, 1996. Said Sublease shall be subordinate to the Master Lease in all respects. The CITY is merely approving the SUBLESSEE and the proposed use, and all terms and conditions of the Master Lease shall control and supersede any inconsistent or contrary provisions in the Sublease. The CITY is not bound by any term or condition in the Sublease which in any way conflicts with or is additional to the provisions of the Master Lease.

In addition, this consent is subject to the following conditions: (if none, write "none.") NONE

THE CITY OF SAN DIEGO

Dated 12/12/96

By Robert J. Collins
City Manager

APPROVED AS TO FORM:

CASEY GWINN, City Attorney

Dated 12/11/96

By [Signature]
Deputy

R-288099

DOCUMENT NO. R-288099
NOV 26 1996
FILED
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

RESOLUTION NUMBER R- **288099**

ADOPTED ON **NOV 26 1996**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN DIEGO APPROVING A LEASE FINANCING TO BE
UNDERTAKEN BY THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY TO BENEFIT
SAN DIEGO SPACE AND SCIENCE FOUNDATION

WHEREAS, San Diego Space and Science Foundation (the "Foundation"), a nonprofit public benefit corporation, has requested that the California Statewide Communities Development Authority ("CSCDA") participate in a lease financing for the purpose of financing the acquisition, construction and equipping of certain additions and improvements (the "Project") to the facilities leased by the Foundation (the "Facilities") from the City of San Diego (the "City") and located in the City; and

WHEREAS, in connection with the financing, CSCDA and the Foundation will enter into a first sublease (the "First Sublease") under which the Foundation will sublease the Facilities to CSCDA and CSCDA will agree to make lease payments (the "Lease Payments") to the Foundation for the lease thereof; and

WHEREAS, simultaneously with such sublease under the First Sublease, CSCDA and the Foundation will enter into a second sublease (the "Second Sublease") under which CSCDA will lease the Facilities back to the Foundation and the Foundation will agree to make lease payments to CSCDA for the lease thereof, with the result that a leasehold interest in the Facilities will remain with the Foundation; and

WHEREAS, certificates of participation (the "Certificates") in an aggregate principal amount not to exceed \$6,500,000, each representing a proportionate undivided interest in the Lease Payments, will be executed, delivered and sold in connection with the financing; and

WHEREAS, the proceeds of the Certificates will be used for the financing and refinancing of the Project; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code") the financing and the execution and delivery of the First Sublease by CSCDA must be approved by the City because the Facilities are located within the territorial limits of the City; and

WHEREAS, the City council is the elected legislative body of the City and is one of the applicable elected representatives required to approve the financing and the execution and delivery of the First Sublease under Section 147(f) of the Code; and

WHEREAS, CSCDA and the Foundation have requested that the City Council approve the financing and the execution and delivery of the First Sublease in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 9 of the Joint Exercise of Powers Agreement (the "Agreement"), dated as of June 1, 1988, among certain local agencies, including the City, creating CSCDA; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the financing and the execution and delivery of the First Sublease, and now desires to approve the financing and the execution of the First Sublease; and

WHEREAS, the City is now duly empowered and authorized, pursuant to each and every

requirement of law, to adopt this Resolution; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, as follows:

Section 1. The foregoing recitals are true and correct and this Council does hereby so find and determine.

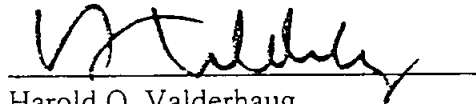
Section 2. The City Council hereby approves the financing described above and the First Sublease. It is the purpose and intent of the City Council that this resolution constitute approval of the financing and the execution and delivery of the First Sublease (and the execution and delivery of the Certificates) for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Facilities are located, in accordance with said Section 147(f) of the Code, and (b) Section 9 of the Agreement.

Section 3. The officers of the City are hereby authorized, jointly and severally, to do any and all things and to execute and deliver any and all documents which they in their reasonable discretion deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 4. This resolution shall take effect immediately upon its passage.

APPROVED: John W. Witt, City Attorney

By



Harold O. Valderhaug
Head Deputy City Attorney

HOV:cdk
11/07/96
Or.Dept:C&ED
R-97-506

Passed and adopted by the Council of the City of San Diego on NOV 26 1996 by
the following vote:

YEAS: MATHIS, WEAR, KEHOE, WARDEN, STEVENS, STALLINGS, MCCARTY,

VARGAS.

NAYS: NONE

NOT PRESENT: MAYOR GOLDING.

AUTHENTICATED BY:

SUSAN GOLDING
Mayor of The City of San Diego, California

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California

(SEAL)

By: PEGGY ROGERS

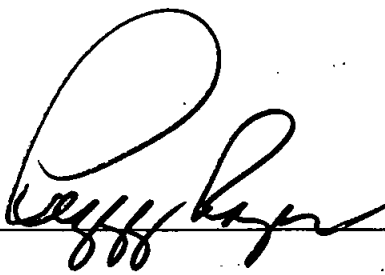
Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION
No. R-288000, passed and adopted by the Council of The City of San Diego, California
on NOV 26 1996

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California

(SEAL)

By:  Deputy

SAN DIEGO SPACE AND SCIENCE FOUNDATION

and

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

SUBLEASE

Dated as of December 1, 1996

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SUBLEASE

This Sublease, dated as of December 1, 1996 (this "Sublease"), by and between the SAN DIEGO SPACE AND SCIENCE FOUNDATION, a California nonprofit public benefit corporation (the "Foundation"), and the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a public entity of the State of California (the "Authority")

W I T N E S S E T H:

WHEREAS, the Foundation leases from the City of San Diego the real property constituting the Reuben H. Fleet Space Theater and Science Center (the "Facilities"), located within the territorial limits of the City of San Diego, one of the program participants of the Authority (the "Program Participant") pursuant to a lease agreement (the "City Lease") between the City of San Diego and the Foundation;

WHEREAS, the Foundation has requested the assistance of the Authority for the purpose of financing the acquisition, construction and equipping of certain additions and improvements to the Facilities (the "Project");

WHEREAS, as consideration to the Authority for undertaking the transactions provided for herein, the Foundation has determined to enter into this Sublease for subsequent lease back to the Foundation upon the terms and conditions described in the Lease Agreement (the "Lease Agreement"), dated as of the date hereof, by and between the Foundation and the Authority;

WHEREAS, the Authority has determined to so assist the Foundation;

WHEREAS, a substantial portion of the persons employed by the Foundation at the Project are residents of the Program Participant;

WHEREAS, the sublease of the Facilities to the Authority and the subsequent lease to the Foundation by the Authority will provide a significant and growing opportunity for the creation and retention of employment to the California economy and the enhancement of the quality of life to residents of the Program Participant, and the financing of the Project promotes opportunities for the creation or retention of employment within the jurisdiction of the Program Participant and is within the powers conferred upon the Authority by its Joint Exercise of Powers Agreement (the "Joint Powers Agreement");

WHEREAS, the presence of the Project has been shown to be a significant factor in the economic development of the Program Participant, promoting residential, commercial and industrial development and thereby stimulating economic activity and increasing the tax base, and the financing of the Project promotes residential, commercial and industrial development within the jurisdiction of the Program Participant and is within the powers conferred upon the Authority by the Joint Powers Agreement;

WHEREAS, the financing of the Project is a significant factor in maintaining the operations of the Foundation within the jurisdiction of the Program Participant;

WHEREAS, the payments to be paid by the Authority pursuant to this Sublease will be payable solely from payments received from the Foundation pursuant to the Lease Agreement;

WHEREAS, the Authority, the Foundation and Union Bank of California, N.A., as trustee (the "Trustee") propose to enter into a Trust Agreement, dated as of the date hereof, pursuant to which the Trustee will agree to execute and deliver Certificates of Participation, each evidencing a proportionate interest in the Sublease Payments to be made by the Authority pursuant to this Sublease with a principal component in an aggregate amount equal to \$6,500,000 aggregate principal amount of Certificates of Participation so executed and delivered; and

WHEREAS, the Authority and the Foundation desire to enter into this Sublease and to assign this Sublease to the Trustee pursuant to the Trust Agreement;

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

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context clearly otherwise requires, all capitalized terms used herein shall have the meanings assigned to such terms in the Trust Agreement, dated as of December 1, 1996, by and among the Authority, the Trustee and the Foundation, as originally executed or as it may from time to time be supplemented, modified or amended as provided therein.

ARTICLE II

SUBLEASE OF THE FACILITIES

Section 2.1. Sublease of the Facilities. In consideration of the Sublease Payments set forth in Section 2.2 hereof, the Foundation hereby subleases to the Authority the Facilities described on Exhibit A attached hereto. The Authority hereby subleases the Facilities for such Sublease Payments and accepts conveyance of a leasehold interest in the Facilities. The Authority and the Foundation agree that a leasehold interest in the Facilities shall be deemed conveyed to and vested in the Authority but agree that no document evidencing such conveyance shall be recorded because such conveyance is incident to a financing and results (when taken together with the conveyance made in the Lease Agreement) in the Foundation having a leasehold interest in the Facilities both prior to and following such conveyances.

Section 2.2. Sublease Payments. (a) The total rental for the Facilities is six million five hundred thousand dollars (\$6,500,000) (the "principal component") plus the interest to accrue on the unpaid balance of such principal component over the term of this Sublease, all

in accordance with the sublease payment schedule set forth in subsection (b) hereof. All amounts attributable to interest as specified in said schedule shall be paid by the Authority as and constitute interest.

(b) The Authority shall pay the rental through the Sublease Payments over a period of thirty (30) years; provided, however, that the Authority's obligation to make the Sublease Payments is limited exclusively to the payments and other moneys and assets received by the Trustee on behalf of the Authority pursuant to the Lease Agreement, and the Authority is not directly or indirectly or contingently or morally obligated to make Sublease Payments from any other moneys or assets of the Authority. Subject to that limitation, the Sublease Payments will be made semiannually by the Authority in accordance with the following schedule:

<u>Date</u>	<u>Amount Attributable To Principal</u>	<u>Amount Attributable To Interest</u>
06/01/1997		\$243,750.00
12/01/1997		243,750.00
06/01/1998		243,750.00
12/01/1998	\$ 90,000	243,750.00
06/01/1999		240,375.00
12/01/1999	95,000	240,375.00
06/01/2000		236,812.50
12/01/2000	105,000	236,812.50
06/01/2001		232,875.00
12/01/2001	110,000	232,875.00
06/01/2002		228,750.00
12/01/2002	120,000	228,750.00
06/01/2003		224,250.00
12/01/2003	130,000	224,250.00
06/01/2004		219,375.00
12/01/2004	135,000	219,375.00
06/01/2005		214,312.50
12/01/2005	145,000	214,312.50
06/01/2006		208,875.00
12/01/2006	160,000	208,875.00
06/01/2007		202,875.00
12/01/2007	170,000	202,875.00
06/01/2008		196,500.00
12/01/2008	185,000	196,500.00
06/01/2009		189,562.50
12/01/2009	195,000	189,562.50
06/01/2010		182,250.00
12/01/2010	210,000	182,250.00
06/01/2011		174,375.00
12/01/2011	225,000	174,375.00
06/01/2012		165,937.50
12/01/2012	245,000	165,937.50
06/01/2013		156,750.00
12/01/2013	265,000	156,750.00
06/01/2014		146,812.50
12/01/2014	285,000	146,812.50
06/01/2015		136,125.00
12/01/2015	305,000	136,125.00
06/01/2016		124,687.50
12/01/2016	325,000	124,687.50
06/01/2017		112,500.00
12/01/2017	210,000	112,500.00
06/01/2018		104,625.00
12/01/2018	230,000	104,625.00
06/01/2019		96,000.00
12/01/2019	245,000	96,000.00
06/01/2020		86,812.50
12/01/2020	265,000	86,812.50
06/01/2021		76,875.00
12/01/2021	285,000	76,875.00
06/01/2022		66,187.50
12/01/2022	305,000	66,187.50
06/01/2023		54,750.00
12/01/2023	325,000	54,750.00
06/01/2024		42,562.50
12/01/2024	350,000	42,562.50
06/01/2025		29,437.50
12/01/2025	380,000	29,437.50
06/01/2026		15,187.50
12/01/2026	405,000	15,187.50
	<u>\$6,500,000</u>	<u>\$9,307,875.00</u>

The Sublease Payments shall be made directly to the Trustee. In the event the Authority should fail to make any of the Sublease Payments required by this Section 2.2, the Sublease Payments so unpaid shall continue as an obligation of the Authority until such amount shall have been fully paid and the Authority shall pay the same with interest thereon at a rate of interest equal to the rate of interest on the unpaid principal components of such unpaid Sublease Payments, subject to the limitation set forth in Section 2.4 hereof.

The Foundation shall make each Lease Payment due under the Lease Agreement directly to the Trustee in satisfaction of the Authority's Sublease Payment obligations hereunder. The Authority hereby grants to the Foundation a security interest in the Lease Payments for the purpose of securing the Sublease Payments due from the Authority hereunder. Pursuant to the Trust Agreement, the Foundation shall assign such interest in the Lease Payments and its rights to receive Sublease Payments hereunder to the Trustee for the benefit of the Holders of the Certificates.

(c). The Authority shall have the right at any time or from time to time to prepay all or any part of the Sublease Payments from prepayments received from the Foundation pursuant to and subject to the terms of Sections 4.4 and 5.9 of the Lease Agreement.

Section 2.3. Obligations of Authority Unconditional. The obligations of the Authority to make the payments required in Section 2.2 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional except as otherwise provided in Sections 2.2 and 2.4 hereof, and, until such time as all of the Sublease Payments shall have been fully paid (or provision for the payment thereof shall have been made in accordance with Article V hereof), the Authority (i) will not suspend or discontinue any payments provided for in Section 2.2 hereof, (ii) will perform and observe all of its other agreements contained in this Sublease and (iii) will not terminate this Sublease for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Facilities, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of the Foundation to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Sublease.

Nothing contained in this Section shall be construed to release the Foundation from the performance of any of the agreements on its part herein contained; and in the event the Foundation should fail to perform any such agreement, the Authority may institute such action against the Foundation as the Authority may deem necessary to compel performance or recover its damages for nonperformance so long as such action shall not violate the agreements of the Authority contained in the first paragraph of this Section.

Section 2.4. Limitation on Liability of Authority. Notwithstanding anything to the contrary contained in this Sublease, the Authority shall not be obligated to pay any Sublease Payment or make any other payments or advance any moneys or be liable for any other costs or expenses except from the payments and other moneys and assets received by the Authority pursuant to the Lease Agreement. The Authority shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the Authority for all or any portion of the Sublease Payments or for all or any portion of such other costs or expenses.

Section 2.5 Obligations under City Lease. The Foundation hereby acknowledges and agrees that pursuant to the terms of the Lease Agreement the Foundation has agreed to perform all obligations of the Authority under the City Lease. Notwithstanding any other provision of this Sublease, the Foundation hereby further acknowledges and agrees that during the term of the Lease Agreement, the Authority shall not be obligated to make any payments under this Sublease or the City Lease or advance any moneys or be liable for any other costs and expenses hereunder or thereunder except from the payments and other moneys and assets received by the Authority (or the Trustee as assignee of the Authority) under the Lease Agreement.

ARTICLE III

FINANCING THE PROJECT

Section 3.1. Use of Certificate Proceeds. The Foundation shall apply the proceeds of the Certificates to cause the Project to be acquired, constructed and equipped, and shall proceed with due diligence and use its best efforts to cause the proceeds of the Certificates to be fully expended to pay the costs of the acquisition, construction and equipping of the Project to be completed by the third anniversary of the date of the initial execution and delivery of the Certificates, unforeseeable delays beyond the reasonable control of the Foundation only excepted.

Section 3.2. Prohibited Uses. No portion of the proceeds of the Certificates shall be used to finance or refinance any facility, place or building used or to be used (a) for sectarian instruction or study or as a place for devotional activities or religious worship, or (b) (1) by a person not a "501(c)(3) organization" or a "governmental unit" within the meaning of Section 145 of the Code, or (2) by a "501(c)(3) organization" (including the Foundation) in an "unrelated trade or business" within the meaning of Section 513(a) of the Code, in such manner or to such extent as would result in loss of the exclusion from gross income pursuant to Section 103 of the Code of interest payable with respect to the Certificates.

ARTICLE IV

SUBLEASE DEFAULTS AND REMEDIES

Section 4.1. Sublease Defaults Defined. The following shall be "Sublease Defaults" under this Sublease and the terms "Sublease Defaults" or "default" shall mean, whenever they are used in this Sublease, any one or more of the following events:

(a) Failure by the Authority to pay or cause to be paid any Sublease Payment required to be paid under Article II hereof at the time specified therein.

(b) Failure by the Authority to observe and perform any covenant, condition or agreement in this Sublease on its part to be observed or performed for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, has been given to the Authority by the Foundation, unless the Foundation shall agree in writing to an extension of such time prior to its expiration.

(c) A Lease Agreement Default.

Section 4.2. Remedies on Default. Whenever any Sublease Default referred to in Section 4.1 hereof shall have happened and be continuing, the Foundation may take any one or more of the following remedial steps:

(a) The Foundation may, if the payment of the Certificates has been accelerated pursuant to Section 7.02 of the Trust Agreement and upon notice to the Authority, declare the principal component of all Sublease Payments, plus all accrued and unpaid interest thereon, payable under Article II hereof to be immediately due and payable, whereupon the same shall become immediately due and payable; provided, however, that if acceleration of the Certificates has been rescinded and annulled pursuant to Section 7.02 of the Trust Agreement, acceleration of the Sublease Payments shall be rescinded and annulled, but no such rescission and annulment shall extend to or affect any subsequent default or shall impair or exhaust any right or power consequent thereto;

(b) The Foundation may exercise and enforce all or any of the rights and remedies provided for in the Lease Agreement; and/or

(c) The Foundation may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any obligation, condition or covenant of the Authority under this Sublease.

Section 4.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Foundation 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 Sublease or now or hereafter existing at law or in equity or by statute. No delay in exercising 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 Foundation to exercise any remedy reserved to it by this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. The Holders of the Certificates executed and delivered pursuant to the Trust Agreement shall be deemed third party beneficiaries of all covenants and conditions herein contained.

Section 4.4. Agreement to Pay Attorneys' Fees and Expenses. In the event the Authority should default under any of the provisions of this Sublease and the Foundation should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Authority herein contained, the Authority agrees that it will on demand therefor pay to the Foundation the actual and reasonable fees and expenses of such attorneys and such other expenses so incurred by the Foundation.

Section 4.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Sublease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE V

DISCHARGE OF OBLIGATIONS

Section 5.1. Discharge of Obligations. When

(a) all Sublease Payments shall have become due and payable in accordance herewith or an Order of the Authority to prepay all of the Sublease Payments shall have been filed with the Trustee; and

(b) there shall have been deposited with the Trustee at or prior to the Interest Payment Dates or date (or dates) specified for prepayment, in trust for the benefit of the Holders of the Certificates and irrevocably appropriated and set aside for the payment of the Sublease Payments, sufficient moneys or Investment Securities required by Section 10.02 of the Trust Agreement, the principal of and interest on which when due will provide money sufficient to pay all principal components, premium, if any, and interest components of the Sublease Payments to the Interest Payment Date or prepayment date or dates so specified, as the case may be; and

(c) provision shall have been made for paying all fees and expenses of the Trustee so long as any of the Certificates shall remain unpaid;

then and in that event the right, title and interest of the Foundation and the Trustee herein and the obligations of the Authority hereunder shall thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Trustee and the obligation of the Authority to have such moneys and such Investment Securities applied to the payment of the Sublease Payments). In such event, upon Request of the Authority, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over to the Foundation, as an overpayment of Lease Payments under the Lease Agreement, all such moneys or such Investment Securities held by it pursuant hereto (other than such moneys and such Investment Securities as are required for the payment or prepayment of the Sublease Payments which moneys and Investment Securities shall continue to be held by the Trustee in trust and shall be applied by the Trustee to such payment or prepayment of the Sublease Payments of the Authority).

ARTICLE VI

MISCELLANEOUS

Section 6.1. Notices. All notices or communications herein required or permitted to be given shall be in writing and, if to the Authority, mailed or delivered to it as follows: California Statewide Communities Development Authority, 1100 K Street, Suite 101, Sacramento, California 95814, Attention: Chairman, and, if to the Foundation, mailed or delivered to it as follows: San Diego Space and Science Foundation, 1875 El Prado, Balboa Park, San Diego, California 92101, Attention: Executive Director. The Authority and the Foundation may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates and other communications shall be sent.

Section 6.2. Binding Effect. This Sublease shall inure to the benefit of and shall be binding upon the Authority and the Foundation and their respective successors and assigns.

Section 6.3. Severability. In the event any provision of this Sublease 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 6.4. Agreement Represents Complete Agreement; Amendments. This Sublease together with the Lease Agreement and the Trust Agreement represents the entire contract between the parties. This Sublease may not be effectively amended, changed, modified, altered or terminated except by the written agreement of the Authority and the Foundation, given in accordance with the provisions of the Trust Agreement.

Section 6.5. Governing Law. This Sublease shall be governed and construed in accordance with the laws of the State.

Section 6.6. Further Assurances and Corrective Instruments. The Authority and the Foundation 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, including deeds, bills of sale and other documents of transfer, as may reasonably be required for correcting any inadequate or incorrect description of the Facilities or for carrying out the intention of or facilitating the performance of this Sublease.

Section 6.7. Waiver of Personal Liability. No member, officer, agent or employee of the Authority or member, trustee, officer, agent or employee of the Foundation shall be individually or personally liable for the payment of Sublease Payments or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Sublease; but nothing herein contained shall relieve any such member, trustee, officer, agent or employee from the performance of any official duty provided by law or by this Sublease.

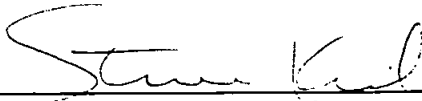
Section 6.8. Disclaimer of Warranties. The Foundation makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the Authority of the Facilities, or any portion thereof, or any other representation or warranty with respect to the Facilities, or any portion thereof. Except as is provided in the Lease Agreement, in no event shall the Foundation be liable for incidental, indirect, special or consequential damages, in connection with this Sublease or the existence, furnishing, or functioning of the Facilities, or the Authority's or the Foundation's or any other person's use of the Facilities.

Section 6.9. No Merger. The parties acknowledge that the Foundation constitutes the sublessor of the Facilities under this Sublease and the lessee of the Facilities under the Lease Agreement. The Lease Agreement and this Sublease represent, and in all respects of any nature whatsoever shall always represent, be interpreted as and constitute, separate and distinct obligations. Under no circumstances whatsoever shall a merger of the roles or obligations of the Foundation as sublessor under this Sublease and lessee under the Lease Agreement occur or be deemed to occur.

Section 6.10. Execution of Counterparts. This Sublease may be simultaneously executed in several counterparts, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Foundation have caused this Sublease to be executed in their respective corporate names, all as of the date first above written.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By 
Member of the
Commission of the Authority

SAN DIEGO SPACE AND SCIENCE
FOUNDATION

By _____
Executive Director

IN WITNESS WHEREOF, the Authority and the Foundation have caused this Sublease to be executed in their respective corporate names, all as of the date first above written.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By _____
Member of the
Commission of the Authority

SAN DIEGO SPACE AND SCIENCE
FOUNDATION

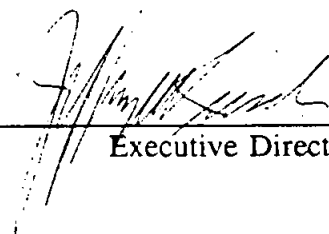
By  _____
Executive Director

EXHIBIT A

That portion of Balboa Park south of the Plaza de Balboa, opposite the San Diego Museum of Natural History, constituting the Reuben H. Fleet Space and Science Center at 1875 El Prado, Balboa Park, San Diego, California 92101.

DOCS RE CERTIFICATES OF PARTICIPATION

**\$6,500,000 CERTIFICATES OF PARTICIPATION
Evidencing Proportionate Interests of the Holders
Thereof in Sublease Payments to be Paid by the
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
to SAN DIEGO SPACE AND SCIENCE FOUNDATION**

CLOSING MEMORANDUM

Place

Offices of
Orrick, Herrington & Sutcliffe LLP
777 South Figueroa Street, Suite 3200
Los Angeles, California 90017

Time

Pre-closing - Wednesday, December 18, 1996, at 12:00 P.M.
Closing - Thursday, December 19, 1996, at 8:00 A.M.

Parties

California Statewide Communities Development Authority ("Authority")

Golden Eagle Insurance ("Purchaser")

Union Bank of California, N.A. ("Trustee")

San Diego Space and Science Foundation ("Foundation")

Latham & Watkins ("Foundation Counsel") ("FC")

Orrick, Herrington & Sutcliffe LLP ("Special Counsel") ("SC")

Orrick, Herrington & Sutcliffe LLP ("Authority Counsel")

City of San Diego ("City")

PRE-CLOSING

The parties indicated below will deliver each of the respective documents as indicated below in six (6) copies. The documents will be executed in advance of the Closing by the respective parties thereto and delivered no later than the Pre-closing. At that time a Pre-closing conference will be held to confirm that all documents and papers are on hand, in proper form and properly executed. All of such deliveries will be deemed to have been made in escrow until the final delivery at the Closing has been made.

Responsibility for preparing or assembling the documents is indicated in parentheses.

MAJOR DOCUMENTS

1. Sublease (executed by Foundation and Authority) (SC).
2. Consent to Sublease Agreement (executed by City) (SC).
3. Lease Agreement (executed by Foundation and Authority) (SC).
4. Trust Agreement (executed by Trustee, Authority and Foundation) (SC).
5. City Lease (copy only) (executed by City and Foundation) (SC).
6. First Amendment to City Lease (executed by City and Foundation) (SC).
7. Tax Certificate and Agreement (executed by Authority and Foundation with exhibits executed by Foundation and Authority) (SC).
8. Continuing Disclosure Agreement (executed by Foundation and Trustee) (SC).
9. Environmental Indemnity (executed by Foundation) (SC).

DOCUMENTS RELATING TO THE SALE

10. Purchase Contract (executed by Foundation, Purchaser and Authority) (SC).
11. Letter from the City to the Purchaser with respect to Section 4.3 of the City Lease (executed by the City) (SC).

DOCUMENTS RELATING TO THE CITY

12. Affidavit of Publication for Notice of Public Hearing of the City (SC).
13. Certified copy of the Resolution of the City Council of the City approving the financing (SC).
14. Certified copy of the Resolution of the City Council of the City approving the First Amendment to the City Lease (SC).

DOCUMENTS RELATING TO THE AUTHORITY

15. Certificate of the Authority, including a copy of Resolution 96NP-15, adopted December 9, 1996 (executed by a Member and the Vice Chairman of the Commission of the Authority) (SC).
16. Order of the Authority as to execution and delivery of Certificates of Participation (executed by a Member of the Commission of the Authority and accepted by the Trustee) (SC).
17. I.R.S. Form 8038 (executed by a Member of the Commission of the Authority) (SC).
18. Preliminary and Final CDAC Reports (SC).

DOCUMENTS RELATING TO THE FOUNDATION

19. Certificate of the Foundation (executed by the Executive Director) (SC).
20. Certified copy of the articles of incorporation (FC).
21. Certificate of Status of Corporation from the Secretary of State (FC).
22. Good Standing Certificate certified by the Franchise Tax Board (FC).
23. Certified copy of the bylaws (FC).
24. Certified copy of the Resolution of the Board of Directors of the Foundation authorizing the financing (FC).
25. Requisition No. 1 (Construction Fund) (executed by Foundation) (SC).
26. Evidence of Section 501(c)(3) status of the Foundation (FC).
27. UCC-1 Financing Statement (executed by Foundation) (SC).
28. Notice of Security Interest in Gross Revenue Fund (executed by Foundation and Trustee) (as delivered to Union Bank, as depository bank) (SC).
29. Copies of permits or licenses which the Foundation is required to have in order to operate its facilities (FC).

DOCUMENTS RELATING TO THE TRUSTEE

30. Certificate of the Trustee together with excerpt from Bylaws (SC and Trustee).

RECEIPTS AND SPECIMEN CERTIFICATE

31. Receipt for Purchase Price (executed by Trustee) (SC).
32. Receipt for Certificates (executed by the Purchaser) (SC).
33. Specimen Certificates (SC).

OPINIONS

34. Opinion of Foundation Counsel (FC).
35. Opinion of Trustee Counsel (Trustee Counsel).
36. Opinion of Authority Counsel (Authority Counsel).
37. Final Opinion of Special Counsel (SC).

CLOSING

At the time of the Closing, each of the parties will receive one signed copy (or executed counterpart) of each of the documents listed above, subsequent to the following events:

1. The Purchaser will wire transfer to the Trustee the aggregate amount of \$6,524,375.00 for deposit in accordance with Section 3.02 of the Trust Agreement.
2. The UCC-1 Financing Statement will be filed with the California Secretary of State.
3. The Trustee will deliver the Certificates to the Purchaser in the aggregate principal amount of \$6,500,000.
4. The Trustee will pay the items specified on Requisition No. 1.
5. The Foundation will pay the Placement Agent Fee to Stone & Youngberg LLC.

CERTIFICATE OF THE AUTHORITY

The undersigned, Steve Keil, a Member of the Commission of the California Statewide Communities Development Authority, a public entity of the State of California, created pursuant to the provisions relating to the joint exercise powers found in Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Authority") and Daniel Harrison, the Vice Chairman and Member of the Commission of the Authority, hereby certify that the following are now, and have continuously been since October 1, 1996, the duly appointed, qualified and acting members of the Commission:

<u>Title</u>	<u>Name</u>
Chairman	Don Benninghoven
Vice Chairman	Daniel Harrison
Secretary	Norma Lammers
Member	Steve Keil
Member	Betty Masuoka
Member	Paul Hahn
Member	Steven Szalay

The undersigned further certify that they were duly authorized by the Authority to execute, on behalf of the Authority, in connection with the execution and delivery of that certain Sublease, dated as of December 1, 1996 (the "Sublease"), between the Authority and San Diego Space and Science Foundation (the "Foundation"), various instruments, documents, and certificates, including, without limitation, the following documents:

Trust Agreement, dated as of December 1, 1996 (the "Trust Agreement"), by and among the Authority, the Foundation and Union Bank of California, N.A., as trustee (the "Trustee");

The Sublease;

Lease Agreement, dated as of December 1, 1996 (the "Lease Agreement"), by and between the Authority and the Foundation; and

Purchase Contract, dated December __, 1996 (the "Purchase Contract"), among the Authority, the Foundation and Golden Eagle Insurance (the "Purchaser").

The undersigned further certify that attached hereto as Exhibit A is a full, true and correct copy of Resolution No. 96NP-15 duly adopted at a meeting of the Authority duly and regularly held on December 9, 1996 at which meeting a quorum was present. The undersigned Member further certifies that he has carefully compared said copy with the original proceedings of said meeting on file and of record in the Secretary's office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in the proceedings

thereof; and that said resolution has not been amended, modified or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

The undersigned further certify that to the best of our knowledge, no litigation is pending or threatened (i) to restrain or enjoin the execution or delivery of any of the Certificates by the Trustee; (ii) in any way contesting or affecting the authority for the execution and delivery of the Certificates by the Trustee or the validity of the Certificates, the Trust Agreement, the Sublease, the Lease Agreement or the Purchase Contract; or (iii) in any way contesting the existence or powers of the Authority; and all representations of the Authority contained in the Purchase Contract are true and correct as of the date hereof.

Each of the undersigned by his signature confirms that the other signature set forth below is genuine.

Dated: December 19, 1996.

<u>Name</u>	<u>Office</u>	<u>Signature</u>
Daniel Harrison	Vice Chairman, Member	_____
Steve Keil	Member	_____

**ORDER OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT
AUTHORITY AS TO THE EXECUTION AND DELIVERY OF
CERTIFICATES OF PARTICIPATION**

TO: Union Bank of California, N.A., as Trustee

In accordance with the provisions of Section 3.01 of that certain Trust Agreement by and among the California Statewide Communities Development Authority (the "Authority"), San Diego Space and Science Foundation (the "Foundation") and you, dated as of December 1, 1996, you are hereby authorized and directed to execute and deliver those certain certificates of participation (the "Certificates") in the aggregate principal amount of \$6,500,000.00, each evidencing sublease payments to be paid by the Authority under that certain Sublease, dated as of December 1, 1996, between the Authority and the Foundation. Such delivery by you is to be made to or upon the order of Golden Eagle Insurance, as purchaser (the "Purchaser"), as soon as practicable, upon payment to you of \$6,524,375.00 (representing the par amount of Certificates of \$6,500,000, plus accrued interest of \$24,375.00).

You are hereby further authorized and directed to set aside or apply the proceeds of the Certificates as set forth in Section 3.02 of the Trust Agreement.

Dated: December 19, 1996.

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

By: _____
Member

ACCEPTED:

UNION BANK OF CALIFORNIA, N.A.,
as Trustee

By: _____
Authorized Officer

CERTIFICATE OF THE FOUNDATION

The undersigned, Dr. Jeffrey Kirsch, as Executive Director of San Diego Space and Science Foundation (the "Foundation") hereby certifies that:

1. No litigation is pending or, to my knowledge, threatened (a) to restrain or enjoin the execution or delivery of any of the Certificates by the Trustee or the collection of Revenues pledged under the Trust Agreement, (b) in any way contesting or affecting the authority for the execution and delivery or validity of the Foundation Documents or the Certificates, the Trust Agreement, the Sublease, the Lease Agreement, the Purchase Contract, the Continuing Disclosure Agreement or the City of San Diego Nonprofit Lease, as amended by the First Amendment to Lease Agreement, (c) in any way contesting the corporate existence, tax-exempt status or powers of the Foundation, or (d) which, if determined adversely to the Foundation, would have a material and adverse effect on the financial condition, assets or operations of the Foundation.

2. No proceedings are pending or, to my knowledge, threatened in any way contesting or affecting the Foundation's status as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or which would subject any income of the Foundation, other than unrelated business income under Section 511 of the Code, to federal income taxation.

3. The representations and warranties made by the Foundation in the Purchase Contract, dated December __, 1996, among the Foundation, the California Statewide Communities Development Authority and Golden Eagle Insurance, as purchaser, are true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof.

4. Any resolutions of the Foundation necessary in connection with the transactions contemplated by the Foundation Documents have been adopted, have not been amended, modified or rescinded and are effective as of the date hereof.

5. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Contract.

Dated: December 19, 1996.

SAN DIEGO SPACE AND SCIENCE FOUNDATION

By: _____
Executive Director

REQUISITION NO. 1 - (CONSTRUCTION FUND)

The undersigned, on behalf of San Diego Space and Science Foundation (the "Foundation") hereby requests Union Bank of California (the "Trustee"), N.A., as trustee under that certain Trust Agreement, dated as of December 1, 1996, by and among the Foundation, the California Statewide Communities Development Authority and the Trustee, to pay to the persons listed on Schedule I attached hereto, the amounts shown for the purposes indicated from the Construction Fund.

The Foundation hereby certifies that obligations in the amounts stated on Schedule I have been incurred by the Foundation and are presently due and payable and that each item is a proper charge against the Construction Fund and has not been previously paid from said fund.

Dated: December 19, 1996.

SAN DIEGO SPACE AND SCIENCE FOUNDATION

By: _____
Executive Director

SCHEDULE I

<u>TO</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
Union Bank of California, N.A.	\$	Trustee's Fee
California Statewide Communities Development Authority CSAC Finance Corporation Westamerica Bank ABA #1211 40218 Account #0527-377915 300 Capitol Mall Sacramento, CA 95814	\$	Authority Fee
Orrick, Herrington & Sutcliffe LLP Bank of America San Francisco Main Branch For the Account of: Orrick, Herrington & Sutcliffe LLP ABA Number 121000358 Account Number 1499-4-10382 Client/Matter 40929-60	\$	Special Counsel Fees and Disbursements

**NOTICE OF SECURITY INTEREST
IN GROSS REVENUE FUND**

NOTICE IS HEREBY GIVEN that Union Bank of California, N.A., as trustee (the "Trustee") under a trust agreement dated as of December 1, 1996, by and among the California Statewide Communities Development Authority (the "Authority"), San Diego Space and Science Foundation (the "Foundation") and the Trustee, holds a security interest in a certain deposit account maintained for the Foundation, being account number _____ with Union Bank, _____, San Diego, California _____, which account is referred to as the "Gross Revenue Fund" in Section 4.5 of that certain lease agreement dated as of December 1, 1996, by and between the Foundation and the Authority.

This Notice may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument. This Notice is given pursuant to California Commercial Code Section 9302(1)(g)(ii) in order to perfect a security interest in said deposit account.

Dated: December 19, 1996.

UNION BANK OF CALIFORNIA, N.A.,
as Trustee

By _____
Authorized Officer

SAN DIEGO SPACE AND SCIENCE FOUNDATION

By _____
Executive Director

CERTIFICATE OF TRUSTEE

The undersigned hereby states and certifies as follows:

(a) the undersigned is an authorized officer of Union Bank of California, N.A., a duly organized and validly existing banking association under the laws of the United States of America and serving as trustee (the "Trustee") under the Trust Agreement, dated as of December 1, 1996 (the "Trust Agreement"), by and among the Trustee, the California Statewide Communities Development Authority (the "Authority") and San Diego Space and Science Foundation (the "Foundation"), pursuant to which the \$6,500,000 aggregate principal amount of the Certificates of Participation (San Diego Space and Science Foundation) (the "Certificates") Evidencing Proportionate Interests of the Holders Thereof in Sublease Payments to be Paid by California Statewide Communities Development Authority From Payments Received From the San Diego Space and Science Foundation are being executed and delivered, having all necessary power and authority to enter into and perform its duties under the Trust Agreement and Continuing Disclosure Agreement, dated as of December 1, 1996 (the "Disclosure Agreement"), by and between the Foundation and the Trustee. Capitalized terms not otherwise refined herein shall have the meanings given to them in the Purchase Contract, dated December __, 1996 pursuant to which the Certificates were sold (the "Purchase Contract");

(b) when delivered to and paid for by the Purchaser (as defined in the Purchase Contract) at the Closing (as defined in the Purchase Contract), the Certificates shall have been duly executed and delivered by the Trustee;

(c) to the knowledge of the undersigned officer, the execution and delivery of the Trust Agreement, the Disclosure Agreement, the DTC Letter of Representation and the Certificates, and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, or decree, (except that no representation, warranty or agreement is made with respect to any federal or state securities or Blue Sky laws or regulations), nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Trust Agreement under the terms of any such law, administrative regulation, judgment, or decree, except as provided in the Trust Agreement;

(d) to the knowledge of the undersigned officer, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the Trustee, affecting the existence of the Trustee, or the entitlement of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution and delivery of the Certificates or the collection of revenues pledged or to be pledged to pay the principal, premium, if any, or interest represented by the Certificates, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Trust Agreement, the DTC Letter of Representation, the Disclosure Agreement or the Certificates; or contesting the power of the Trustee to enter into, adopt or

perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trust Agreement, the DTC Letter of Representation, the Disclosure Agreement or the Certificates; and

Unless otherwise specified, all capitalized terms used herein shall be as defined in the Purchase Contract, dated December __, 1996, executed by the Underwriters named in the Purchase Contract.

Dated: December 19, 1996.

UNION BANK OF CALIFORNIA, N.A.,
as Trustee

By: _____
Authorized Officer

RECEIPT FOR PURCHASE PRICE

The undersigned, as trustee under that certain Trust Agreement (the "Trust Agreement"), dated as of December 1, 1996, by and among San Diego Space and Science Foundation (the "Foundation"), the California Statewide Communities Development Authority (the "Authority") and the undersigned, hereby acknowledges receipt from Golden Eagle Insurance, as purchaser (the "Purchaser") of the sum of \$6,524,375.00, in payment of the purchase price for the aggregate principal amount of \$6,500,000 of Certificates (as defined in the Trust Agreement, said purchase price having been computed as follows:

Principal amount of Certificates	\$6,500.000.00
Plus accrued interest	<u>24,375.00</u>
Total	<u>\$6,524,375.00</u>

The undersigned represents that, pursuant to Section 3.02 of the Trust Agreement, the proceeds from the sale of the Certificates in the total amount of \$6,524,375.00 have been set aside in the following funds or accounts pursuant to the Trust Agreement: (a) in the Interest Account, \$24,375.00 (b) in the Capitalized Interest Account, \$625,625.00; (c) in the Reserve Account, \$578,625.00; and (d) in the Construction Fund, \$5,165,750.00.

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

Dated: December 19, 1996.

UNION BANK OF CALIFORNIA, N.A.,
as Trustee

By: _____
Authorized Officer

RECEIPT FOR CERTIFICATES

The undersigned, Golden Eagle Insurance, as purchaser (the "Purchaser"), hereby acknowledges receipt from Union Bank of California, N.A., as trustee (the "Trustee"), of Certificates of Participation in the aggregate principal amount of \$6,500,000 (the "Certificates"), which Certificates have been checked, inspected and approved by the Purchaser. The Purchaser hereby further acknowledges the receipt of, or waives the requirement for, each opinion, document and certificate contemplated by the Purchase Contract, dated December __, 1996, by and between the Purchaser and the California Statewide Communities Development Authority and approved by San Diego Space and Science Foundation.

Dated: December 19, 1996.

GOLDEN EAGLE INSURANCE,
as Purchaser

By: _____
Authorized Representative

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by San Diego Space and Science Foundation (the "Foundation"), and Union Bank of California, N.A. (the "Trustee" and "Dissemination Agent"), in connection with the execution and delivery of \$6,500,000 certificates of participation (the "Certificates") evidencing the proportionate interests of the Holders thereof in sublease payments to be paid by the California Statewide Communities Development Authority (the "Authority") from lease payments to be received from the Foundation. The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of December 1, 1996 (the "Trust Agreement"), among the Foundation, the Authority and the Trustee, relating to a Lease Agreement, dated as of December 1, 1996 (the "Lease Agreement"), between the Authority and the Foundation. Pursuant to Section 11.17 of the Trust Agreement and Section 5.13 of the Lease Agreement, the Foundation, the Dissemination Agent and the Trustee covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Foundation, the Dissemination Agent and the Trustee for the benefit of the Holders and Beneficial Owners of the Certificates with respect to the Rule (defined below). The Foundation, the Dissemination Agent and the Trustee acknowledge that the Authority has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Agreement, and has no liability to any person, including any Holder or Beneficial Owner of the Certificates, with respect to the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Foundation pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean Union Bank of California, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Foundation and which has filed with the Trustee a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Agreement.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Exhibit B.

"Repository" shall mean each National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The Foundation shall, or, upon written direction, shall cause the Dissemination Agent to, not later than 180 days after the end of the Foundation's fiscal year, commencing with the Fiscal Year ending June 30, 1997, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Foundation may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Foundation's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repositories, the Foundation shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date the Trustee has not received a copy of the Annual Report, the Trustee shall contact the Foundation and the Dissemination Agent to determine if the Foundation is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repositories by the date required in subsection (a), the Dissemination Agent shall send a notice to each Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year, within five (5) business days of the date for providing the Annual Report, the name and address of each National Repository and the State Repository, if any; and

(ii) file a report with the Foundation, the Authority and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Foundation's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Foundation for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If the Foundation's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements provided to the initial purchasers of the Certificates, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. The corporate annual report of the Foundation.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Foundation is an "obligated person" (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Foundation shall clearly identify each such other document so included by reference. Neither the Trustee nor the Dissemination Agent need verify the content or correctness of the Annual Report.

SECTION 5. Reporting of Significant Events.

The Foundation shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the Certificates;
7. modifications to rights of holders of Certificates;
8. optional, contingent or unscheduled bond calls;
9. defeasances;

10. release, substitution or sale of property securing repayment of the Certificates; and
11. rating changes.

(b) The Trustee shall, promptly after a responsible officer shall obtain actual knowledge at its corporate trust office of the occurrence of any of the Listed Events contact the Foundation, inform the Foundation of the event, and request that the Foundation promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f). The Foundation shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Foundation and shall have no duty or obligation to review such Annual Report.

(c) Whenever the Foundation obtains knowledge of the occurrence of a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Foundation shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Foundation has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Foundation shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If in response to a request under subsection (b), the Foundation determines that the Listed Event would not be material under applicable federal securities laws, the Foundation shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Foundation to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Repositories with a copy to the Foundation. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Certificates pursuant to the Trust Agreement.

SECTION 6. Termination of Reporting Obligation. The Foundation's, the Trustee's and the Dissemination Agent's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If the Foundation's obligations under the Lease Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Foundation and the Foundation shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final Certificate Payment Date (as defined in the Trust Agreement) of the Certificates, the Foundation shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5.

SECTION 7. Dissemination Agent. The Foundation may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent and the Trustee shall not be responsible in any manner for the content of any notice or report prepared by the Foundation pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee. The Dissemination Agent may resign by providing thirty days written notice to the Foundation and the Trustee. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the Foundation in a timely manner and in a form suitable for filing.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Foundation and the Dissemination Agent and the Trustee may amend this Disclosure Agreement (and the Dissemination Agent and the Trustee shall agree to any amendment so requested by the Foundation, provided, neither the Trustee or the Dissemination Agent shall be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an obligated person with respect to the Certificates or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original execution and delivery of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Certificates in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Certificates.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Foundation shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Foundation. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as

prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Foundation from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Foundation chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Foundation shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Foundation or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee at the written request of the Holders of at least 50% aggregate principal amount of Outstanding Certificates, shall, but only to the extent the Trustee has been indemnified to its satisfaction from any loss, cost, liability or expense related thereto, including, without limitation, fees and expenses of its attorneys and additional fees and expenses of the Trustee, or any Holder or Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Foundation or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Foundation or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the Trust Agreement is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Trust Agreement and the Trustee and Dissemination Agent shall be entitled to the protections, limitations from liability and indemnities afforded the Trustee thereunder. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Foundation agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's, as appropriate, negligence or wilful misconduct. The Dissemination Agent shall be paid compensation by the Foundation for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent and the Trustee shall have no duty or obligation to review any information provided to them hereunder and shall not be deemed to be acting in any fiduciary capacity for the Foundation, the Certificate holders, or any

other party. The obligations of the Foundation under this Section shall survive resignation or removal of the Dissemination Agent and the Trustee and payment of the Certificates.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Foundation: San Diego Space and Science Foundation
1875 El Prado, Balboa Park
San Diego, California 92101
Attention: Executive Director

To the Trustee: Union Bank of California, N.A.
120 South San Pedro Street, 4th Floor
Los Angeles, California 90012
Attention: Corporate Trust Department

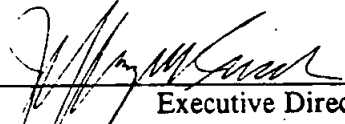
Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Foundation, the Trustee, the Dissemination Agent and Holders and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure 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.

Dated: December 1, 1996.

SAN DIEGO SPACE AND SCIENCE FOUNDATION

By  _____
Executive Director

UNION BANK OF CALIFORNIA, N.A.,
as Trustee and as Dissemination Agent

By _____
Authorized Officer

SECTION 14. Counterparts. This Disclosure 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.

Dated: December 1, 1996.

SAN DIEGO SPACE AND SCIENCE FOUNDATION

By _____
Executive Director

UNION BANK OF CALIFORNIA, N.A.,
as Trustee and as Dissemination Agent

By *Stephen R. Davis*
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Authority: California Statewide Communities Development Authority

Name of Obligations: Certificates of Participation Evidencing Proportionate interests of the Holders Thereof in Sublease Payments to be Paid by the California Statewide Communities Development Authority From Lease Payments to be Received from San Diego Space and Science Foundation

Name of Obligor: San Diego Space and Science Foundation (the "Foundation")

Date of Issuance: December 19, 1996

NOTICE IS HEREBY GIVEN that the Foundation has not provided an Annual Report with respect to the above-named Certificates as required by Section 11.17 of the Trust Agreement, dated as of December 1, 1996, among the Authority, the Foundation and Union Bank of California, N.A., and by Section 5.13 of the Lease Agreement, dated as of December 1, 1996, between the Authority and the Foundation. The Foundation anticipates that the Annual Report will be filed by _____.

Dated: _____

UNION BANK OF CALIFORNIA, N.A.,
as Dissemination Agent,
on behalf of Foundation

cc: Foundation

EXHIBIT B

Nationally Recognized Municipal Securities Information Repositories approved by the Securities and Exchange Commission as of the date of this Agreement:

Bloomberg Municipal Repository

P.O. Box 840
Princeton, NJ 08542-0840
Internet address: MUNIS@bloomberg.doc
(609) 279-3200
FAX (609) 279-3235 (609) 279-5963
Contact: Dave Campbell

Thomson NRMSIR

Secondary Market Disclosure
395 Hudson Street, 3rd Floor
New York, NY 10014
Internet address: Disclosure@muller.com
(212) 807-3826
FAX (212) 989-2078
Contact: Thomas Garske

Disclosure, Inc.

Document Augmentation/Municipal Securities
5161 River Road
Bethesda, MD 20816
(301) 951-1450
FAX (301) 718-2329
Contact: Barry Sugarman (301) 215-6015

JJ Kenny Information Services

The Repository
65 Broadway, 16th Floor
New York, NY 10006
(212) 770-4568
FAX (212) 797-7994
Contact: Joan Horai, Repository

Moody's NRMSIR

Public Finance Information Center
99 Church Street
New York, NY 10007-2796
(800) 339-6306
FAX (212) 553-1460
Contact: Claudette Stephenson (212) 553-0345

Donnelly Financial

Municipal Security Disclosure Archive
559 Main Street

Hudson, MA 01749

Internet address: <http://www.municipal.com>

(800) 580-3670

FAX (508) 562-1969

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

and

SAN DIEGO SPACE AND SCIENCE FOUNDATION

and

UNION BANK OF CALIFORNIA, N.A.,
as Trustee

TRUST AGREEMENT

Dated as of December 1, 1996

\$6,500,000

Principal Amount of Certificates of Participation

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Execution 50

EXHIBIT A FORM OF CERTIFICATE OF PARTICIPATION A-1

EXHIBIT B FORM OF CONSTRUCTION REQUISITION B-1

EXHIBIT C FORM OF COMPLETION CERTIFICATE C-1

THIS TRUST AGREEMENT, made and entered into as of December 1, 1996, by and among the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a public entity of the State of California (the "Authority"), SAN DIEGO SPACE AND SCIENCE FOUNDATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Foundation") and Union Bank of California, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee");

W I T N E S S E T H:

WHEREAS, the Foundation leases from the City of San Diego the real property constituting the Reuben H. Fleet Space Theater and Science Center (the "Facilities"), located within the territorial limits of the City of San Diego, one of the program participants of the Authority (the "Program Participant") pursuant to a lease agreement (the "City Lease") between the City of San Diego and the Foundation:

WHEREAS, the Foundation has requested the assistance of the Authority for the purpose of financing the acquisition, construction and equipping of certain additions and improvements to the Facilities (the "Project");

WHEREAS, as consideration to the Authority for undertaking the transactions provided for herein, the Foundation has determined to sublease the Facilities to the Authority upon the terms and conditions described in the Sublease of even date herewith by and between the Foundation and the Authority (the "Sublease") for subsequent lease to the Foundation upon the terms and conditions described herein:

WHEREAS, the Authority has determined to so assist the Foundation:

WHEREAS, a substantial portion of the persons employed by the Foundation at the Project are residents of the Program Participant:

WHEREAS, the sublease of the Facilities to the Authority and the subsequent lease to the Foundation by the Authority will provide a significant and growing opportunity for the creation and retention of employment to the California economy and the enhancement of the quality of life to residents of the Program Participant, and the financing of the Project promotes opportunities for the creation or retention of employment within the jurisdiction of the Program Participant and is within the powers conferred upon the Authority by its Joint Exercise of Powers Agreement (the "Joint Powers Agreement");

WHEREAS, the presence of the Project has been shown to be a significant factor in the economic development of the Program Participant, promoting residential, commercial and industrial development and thereby stimulating economic activity and increasing the tax base, and the financing of the Project promotes residential, commercial and industrial development within the jurisdiction of the Program Participant and is within the powers conferred upon the Authority by the Joint Powers Agreement:

WHEREAS, the financing of the Project is a significant factor in maintaining the operations of the Foundation within the jurisdiction of the Program Participant:

WHEREAS, the payments to be paid by the Authority pursuant to the Sublease will be payable solely from payments received from the Foundation pursuant to the Lease Agreement:

WHEREAS, in consideration of the execution of this Trust Agreement, the Trustee has agreed to execute and deliver Certificates of Participation, each evidencing a proportionate interest in the Sublease Payments to be made by the Authority pursuant to the Sublease in an aggregate amount equal to the aggregate principal amount of Certificates of Participation so executed and delivered:

WHEREAS, the Authority, the Foundation and the Trustee have duly authorized the execution and delivery of this Trust Agreement; and

WHEREAS, the Foundation and the Authority do hereby determine that all acts and proceedings required by law to exist, happen and be performed precedent to and in connection with the execution and entering into of this Trust Agreement have existed, 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 empowered to execute and enter into this Trust Agreement:

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

ARTICLE I

DEFINITIONS: CONTENT OF CERTIFICATES AND OPINIONS

SECTION 1.01. Definitions. Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement and of any agreement supplemental hereto and of any statement, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Words of any gender shall be deemed and construed to include all genders.

Accountant

"Accountant" means any independent public accountant or firm of such accountants selected by the Foundation and not objected to by the Authority.

Administrative Fees and Expenses

"Administrative Fees and Expenses" means any application, commitment, financing or similar fee charged, or reimbursement for administrative or other expenses incurred, by the Authority or the Trustee, including Supplemental Payments.

Aggregate Annual Debt Service

"Aggregate Annual Debt Service" means Annual Debt Service on the applicable Indebtedness for the twelve month period ending on December 1.

Annual Debt Service

"Annual Debt Service" means, when used with respect to Indebtedness, as of any date of calculation and with respect to any period the sum of (i) the interest payable on all such Indebtedness during such period (except to the extent that such interest is payable from the proceeds of such Indebtedness set aside for such purpose), and (ii) the principal (or mandatory sinking fund or redemption fund or installment purchase price or lease rental or similar payment or deposit) payments on such Indebtedness required in such period; computed on the assumption that no portion of such Indebtedness shall cease to be outstanding in such period except by reason of the application of such scheduled payments; provided, however, that for purposes of such computation if Indebtedness is secured by an irrevocable letter of credit issued by a bank having a combined capital and surplus of at least One Hundred Million Dollars (\$100,000,000), principal payments or deposits with respect to such Indebtedness nominally due in the last Fiscal Year in which such Indebtedness matures may, at the option of the Foundation, be treated as if they were due as specified in any loan agreement or reimbursement agreement issued in connection with such letter of credit or pursuant to the repayment provisions of such letter of credit and interest on such Indebtedness after such Fiscal Year shall be assumed to be payable pursuant to the terms of such loan agreement or reimbursement agreement or repayment provisions; and provided, further, that if interest on Indebtedness is payable pursuant to a variable interest rate formula, the interest rate on such Indebtedness for periods when the actual interest rate cannot be yet determined shall be assumed to be equal to the greater of (a) the current interest rate calculated pursuant to the provisions of such agreement or, (b) if available, the weekly average interest rate on such Indebtedness during the preceding thirty-six (36) months preceding the date of calculation or, (c) if such Indebtedness has not been outstanding for such 36-month period, such weekly average interest rate on comparable debt (as determined by the Foundation), as set forth in a certificate filed with the Trustee.

Authority

"Authority" means the California Statewide Communities Development Authority.

Authorized Representative

"Authorized Representative" means, (1) with respect to the Authority, the Chairman of the Authority, any member of the Commission of the Authority, the Secretary of

the Authority or any other person designated as an Authorized Representative of the Authority by a Statement of the Authority signed by said Chairman, Secretary or Member and filed with the Trustee, and (2) with respect to the Foundation, the President, executive director, chief financial officer, Secretary or Treasurer, or any other person designated as an Authorized Representative of the Foundation by a Statement of the Foundation signed by the President, executive director, chief financial officer, Secretary or Treasurer and filed with the Trustee.

Beneficial Owner

"Beneficial Owner" has the meaning ascribed to such term in the Continuing Disclosure Agreement.

Bond Counsel

"Bond Counsel" means counsel of recognized national standing in the field of obligations the interest on which is excluded from gross income for federal income tax purposes, selected by the Foundation and not objected to by the Authority.

Business Day

"Business Day" means a day of the year on which banks located in New York, New York, Los Angeles, California, San Francisco, California, or the city or cities in which the Principal Office of the Trustee is located, are not required or authorized to be closed and on which The New York Stock Exchange is open.

Capitalized Interest Account

"Capitalized Interest Account" means the subaccount by that name in the Interest Account established pursuant to Section 5.03 of this Trust Agreement.

Certificate Payment Date

"Certificate Payment Date" means, with respect to a Certificate, the date on which principal evidenced and represented by such Certificate becomes due and payable.

Certificate Year

"Certificate Year" means the period of twelve consecutive months ending on December 1 of any year in which Certificates are Outstanding.

Certificates

"Certificates" means the certificates of participation evidencing a proportionate interest of the Holders thereof in Sublease Payments to be made by the Authority pursuant to the Sublease.

City Lease

"City Lease" means that certain lease agreement, dated as of August 5, 1996, by and between the City of San Diego and the Foundation with respect to the Facilities, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with its terms.

Code

"Code" means the Internal Revenue Code of 1986 and the regulations issued thereunder, or any successor to the Internal Revenue Code of 1986. Reference to any particular Code section shall, in the event of such a successor Code, be deemed to be reference to the successor to such Code section.

Completion Certificate

"Completion Certificate" means the Certificate of the Foundation in the form attached hereto as Exhibit C, evidencing completion of the acquisition and construction of the Project.

Construction Fund

"Construction Fund" means the fund by that name established pursuant to Section 3.03 of this Trust Agreement.

Continuing Disclosure Agreement

"Continuing Disclosure Agreement" means that certain Continuing Disclosure Agreement between the Foundation and the Trustee, dated the date of execution and delivery of the Certificates, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Costs of Issuance

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Authority or the Foundation and related to the authorization, execution, sale and delivery of the Certificates, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, documentary transfer tax, premiums for title insurance, initial fees and charges of the Trustee and its legal counsel, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, initial Administrative Fees and Expenses, fees and charges for preparation, execution, transportation and safekeeping of Certificates, placement agent fees and any other cost, charge or fee in connection with the original delivery of Certificates.

Event of Default

"Event of Default" means any of the events specified in Section 7.01 of this Trust Agreement.

Fiscal Year

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Foundation.

Foundation

"Foundation" means San Diego Space and Science Foundation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, or any entity which is the surviving, resulting or transferee entity thereof.

Gross Revenue Fund

"Gross Revenue Fund" means the fund by that name established pursuant to Section 4.5 of the Lease Agreement.

Gross Revenues

"Gross Revenues" means all revenues, income, grants, contributions, receipts and money received in any period by the Foundation (other than the proceeds of borrowing and interest earned thereon if and to the extent such interest is required to be excluded by the terms of the borrowing) derived from its operation or possession of and pertaining to the Facilities or the Project, including without limitation (a) rates, tolls, tariffs, fees, rentals, admission charges and other payments made to or owed to the Foundation for the use or availability of the Facilities or the Project; (b) amounts received by or owed to the Foundation from the sale or provision of supplies, materials, goods and services provided or made available by the Foundation at the Facilities (including, without limitation, revenues of any kind from the operation of eating establishments, snack bars, concession stands, and gift shops); and (c) proceeds with respect to, arising from, or relating to the Facilities or the Project and derived from (i) insurance (including business interruption insurance) or condemnation proceeds, (ii) accounts receivable, (iii) securities and other investments, (iv) inventory and other tangible and intangible property, (v) contract rights, accounts, instruments, claims for the payment of moneys and other rights and assets now or hereafter owned, held or possessed by or on behalf of the Foundation related to the Facilities or the Project and (vi) proceeds of gifts, grants, devises, bequests, membership fees and contributions, but excluding gifts, grants, devises, bequests, membership fees and contributions designated by the maker to a specific purpose inconsistent with their use for the payment of principal of, premium, if any, and interest on Indebtedness or for the payment of operating expenses.

Holder or Certificateholder

"Holder" or "Certificateholder," whenever used herein with respect to a Certificate, means the person in whose name such Certificate is registered.

Indebtedness

"Indebtedness" means any indebtedness or obligation of the Foundation which, in accordance with generally accepted accounting principles, is classified as a liability on a balance sheet.

Information Services

"Information Services" means Financial Information, Inc.'s "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services "Called Bond Service," 65 Broadway, 16th Floor, New York, New York 10006, Moody's "Municipal and Government," 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; and S&P's "Called Bond Record," 25 Broadway, 3rd Floor, New York, New York 10004; or to such other addresses and/or such other services providing information with respect to called bonds as the Authority may designate.

Insurance Consultant

"Insurance Consultant" means a firm having experience in consulting on the insurance requirements of facilities in the State of California of the general size and character of the Foundation's facilities selected by the Foundation.

Interest Account

"Interest Account" means the account by that name in the Revenue Fund established pursuant to Section 5.02 of this Trust Agreement.

Interest Payment Date

"Interest Payment Date" means June 1 and December 1 in each year commencing June 1, 1997.

Investment Securities

"Investment Securities" means any of the following: (1) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) and obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; (2) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Bank for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Bank System, Export-Import Bank of the United States, Federal Financing Bank, Federal

Land Banks, Federal National Mortgage Association, Government National Mortgage Association, Farmer's Home Administration, or Federal Home Loan Mortgage Association; (3) interest-bearing demand or time deposits (including certificates of deposit) in banks and savings and loan associations, secured at all times, in the manner and to the extent provided by law, by collateral security described in clause (1) of this definition and of a market value of no less than the amount of moneys so invested, but in no event shall the total amount of such deposits exceed 25% of the amount of the capital and undivided surplus or reserves of the bank or savings and loan association, less good will; (4) repurchase agreements with banks or savings and loan associations, the underlying securities of which are specifically designated and are obligations described in clause (1) of this definition, provided that, unless such seller's general obligations are rated in one of the two highest rating categories by at least one nationally recognized rating agency, the underlying securities are required to be continuously maintained at a market value (valued at least weekly by the Trustee) not less than 103% of the amount of the repurchase price from time to time payable with respect thereto and are to be held in a separate, segregated account by or in the name of the Trustee; (5) investment agreements, guaranteed investment contracts, funding agreements or any other form of corporate note which represents the unconditional obligation of one or more banks, insurance companies or other financial institutions, or are guaranteed by a financial institution, in either case that has an unsecured ratings, or which agreement is itself rated, as of the date of execution thereof, in one of the two highest rating categories by any Rating Agency; (6) tax-exempt obligations which are rated in the highest rating category by at least one nationally recognized rating agency and payment of the principal of and interest on which is secured by an irrevocable escrow containing only noncallable obligations (a) which are described in clause (1) of this definition and (b) principal of and interest on which, if paid when due, will be sufficient to pay the principal of and interest on such state or political subdivision obligations when due; (7) tax-exempt obligations which are rated in one of the two highest rating categories by at least one nationally recognized rating agency and money market portfolios restricted to the foregoing; and (8) government money market portfolios or money market funds restricted to obligations issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States, which portfolios shall have an "AAA" or equivalent rating, including such funds for which the Trustee or any affiliate acts as an investment adviser or provides other services.

Lease Agreement

"Lease Agreement" means that certain Lease Agreement, dated as of December 1, 1996, by and between the Authority and the Foundation, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of this Trust Agreement.

Lease Agreement Default

"Lease Agreement Default" means any of the events specified in Section 7.1 of the Lease Agreement.

Lease Payments

"Lease Payments" means the payments so designated and required to be made by the Foundation pursuant to Section 4.1 of the Lease Agreement.

Mandatory Sinking Account Payments

"Mandatory Sinking Account Payments" means the amounts required by Section 5.04(C) of this Trust Agreement to be applied by the Trustee for the retirement of Certificates.

Maximum Aggregate Annual Debt Service

"Maximum Aggregate Annual Debt Service" means Aggregate Annual Debt Service with respect to the Lease Agreement and all Parity Debt then outstanding for the twelve month period ending on December 1 in which such Annual Debt Service is the largest.

Moody's

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Foundation by notice to the Authority and the Trustee.

Net Gross Revenues Available for Debt Service

"Net Gross Revenues Available for Debt Service" means the excess of Gross Revenues over operating expenses (before extraordinary items) of the Foundation, determined in accordance with generally accepted accounting principles, to which shall be added interest, amortization and depreciation expense and other non-cash charges, each item determined in accordance with generally accepted accounting principles, and excluding (a) any profits or losses on the sale or disposition, not in the ordinary course of business, of investments or fixed or capital assets or resulting from the early extinguishment of debt, (b) gifts, grants, bequests, donations and contributions, to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of debt service and (c) the net proceeds of insurance (other than business interruption insurance) and condemnation awards.

Non-Recourse Indebtedness

"Non-Recourse Indebtedness" means any indebtedness secured by a lien, which is not a general obligation of the Foundation and liability for which is effectively limited to the property subject to such lien with no recourse to, or lien upon, directly or indirectly, the Gross Revenues or any other property of the Foundation.

Opinion of Counsel

"Opinion of Counsel" means a written opinion of counsel (who may be counsel for the Foundation or the Authority) selected by the Foundation and not objected to by the Authority. If and to the extent required by the provisions of Section 1.02 of this Trust Agreement, each Opinion of Counsel shall include the statements provided for in Section 1.02 of this Trust Agreement.

Optional Prepayment Account

"Optional Prepayment Account" means the account by that name in the Prepayment Fund established pursuant to Section 5.06 of this Trust Agreement.

Outstanding

"Outstanding," when used as of any particular time with reference to Certificates, means (subject to the provisions of Section 11.09 of this Trust Agreement) all Certificates theretofore, or thereupon being, authenticated and delivered by the Trustee under this Trust Agreement except (1) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (2) Certificates with respect to which all liability shall have been discharged in accordance with Section 10.01 of this Trust Agreement, including Certificates (or portions of Certificates) referred to in Section 11.10 of this Trust Agreement; and (3) Certificates for the transfer or exchange of or in lieu of or in substitution for which other Certificates shall have been authenticated and delivered by the Trustee pursuant to this Trust Agreement.

Parity Debt

"Parity Debt" means Indebtedness of the Foundation which satisfies the following conditions:

- (1) The agreement under which the Parity Debt is issued shall require that:
 - (a) a Lease Agreement Default shall constitute an event of default under such agreement;
 - (b) rights and obligations of the holders of Parity Debt shall be substantially the same as the rights and obligations of the Holders hereunder;
 - (c) remedies upon an event of default shall be substantially the same as the remedies provided in this Trust Agreement and, prior to exercising any such remedies, the holders of such Parity Debt (or a trustee representing their interests) shall be required to cooperate with the Trustee to the end that the interests of such holders and the Holders shall be equally protected;
 - (d) payments shall be made no more frequently than monthly; and

(2) The Foundation shall furnish the Trustee with a copy of the proceedings relating to the incurrence of any Parity Debt immediately upon the incurrence thereof.

Participating Underwriter

"Participating Underwriter" has the meaning ascribed to such term in the Continuing Disclosure Agreement.

Person

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

Prepayment Fund

"Prepayment Fund" means the fund by that name established pursuant to Section 5.06 of this Trust Agreement.

Prepayment Price

"Prepayment Price" means, with respect to any Certificate (or portion thereof) the principal amount with respect to such Certificate (or portion), together with any prepayment premium thereon, payable upon prepayment thereof pursuant to the provisions of such Certificate and this Trust Agreement.

Principal Account

"Principal Account" means the account by that name in the Revenue Fund established pursuant to Section 5.02 of this Trust Agreement.

Principal Office

"Principal Office" of the Trustee means the principal corporate trust office of the Trustee at 120 South San Pedro Street, 4th Floor, Los Angeles, California 90012, Attention: Corporate Trust, or such other or additional offices as may be designated by the Trustee to the Authority and the Foundation.

Program Participant

"Program Participant" means the City of San Diego.

Project

"Project" means the renovation and expansion of the Reuben H. Fleet Space Theater and Science Center financed with the proceeds of the Certificates.

Project Costs

"Project Costs" means any cost of planning, design, acquisition, improvement or installation of the Project.

Rating Agency

"Rating Agency" means S&P or Moody's, as applicable.

Rebate Fund

"Rebate Fund" means the Rebate Fund established in Section 5.07 of this Trust Agreement.

Record Date

"Record Date" means the close of business on the fifteenth (15th) day (whether or not a Business Day) of the month preceding an Interest Payment Date.

Reserve Account

"Reserve Account" means the account by that name established within the Revenue Fund pursuant to Section 5.02 of this Trust Agreement.

Reserve Account Requirement

"Reserve Account Requirement" means, as of any date of calculation, an amount equal to the least of (A) Maximum Aggregate Annual Debt Service, calculated with respect to all Certificates Outstanding as of such date, (B) one hundred twenty-five percent (125%) of average Annual Debt Service with respect to all Certificates Outstanding as of such date, or (C) ten percent (10%) of the original principal amount evidenced and represented by the Certificates.

Revenue Fund

"Revenue Fund" means the fund by that name established pursuant to Section 5.01 of this Trust Agreement.

Revenues

"Revenues" means all amounts received by the Authority or the Trustee for the account of the Foundation or the Authority under this Trust Agreement pursuant or with respect to the Lease Agreement, including, without limiting the generality of the foregoing, Lease Payments and Sublease Payments (including both timely and delinquent payments and any late charges, regardless of source), prepayments, insurance proceeds and condemnation proceeds with respect to the Facilities or the Project, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Trust Agreement, but not including any Administrative Fees and Expenses or amounts received or on deposit in the Rebate Fund.

S&P

"S&P" means Standard & Poor's Ratings Group, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Foundation by notice to the Authority and the Trustee.

Securities Depositories

"Securities Depositories" means: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax (516) 227-4039 or 4190; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax (312) 663-2343; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax (215) 496-5058; or such other addresses and or such other securities depositories as the Authority may designate.

Sinking Account

"Sinking Account" means one of the subaccounts in the Principal Account so designated and established pursuant to Section 5.04 of this Trust Agreement.

Special Program Covenant

"Special Program Covenant" means the covenant of the Foundation set forth in Section 5.4 of the Lease Agreement.

State

"State" means the State of California.

Statement, Request, Requisition or Order of the Authority or the Foundation

"Statement," "Request," "Requisition" and "Order" of the Authority or the Foundation mean, respectively, a written statement, request, requisition or order signed in the name of the Authority or the Foundation by an Authorized Representative of the Authority or the Foundation, respectively. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02 of this Trust Agreement, each such instrument shall include the statements provided for in Section 1.02 of this Trust Agreement.

Supplemental Lease Agreement

"Supplemental Lease Agreement" means any lease agreement hereafter duly authorized and entered into between the Authority and the Foundation, supplementing, modifying or amending the Lease Agreement; but only if and to the extent that such Supplemental Lease Agreement is specifically authorized under this Trust Agreement.

Supplemental Payments

"Supplemental Payments" means the payments so designated and required to be made by the Foundation pursuant to Section 4.2 of the Lease Agreement.

Supplemental Sublease

"Supplemental Sublease" means any sublease hereafter duly authorized and entered into between the Authority and the Foundation, supplementing, modifying or amending the Sublease; but only if and to the extent that such Supplemental Sublease Agreement is specifically authorized under this Trust Agreement.

Supplemental Trust Agreement

"Supplemental Trust Agreement" means any trust agreement hereafter duly authorized and entered into among the Authority, the Foundation and the Trustee supplementing, modifying or amending this Trust Agreement; but only if and to the extent that such Supplemental Trust Agreement is specifically authorized under this Trust Agreement.

Tax Certificate and Agreement

"Tax Certificate and Agreement" means the Tax Certificate and Agreement dated as of the date of initial execution and delivery of the Sublease and the Certificates and executed by the Authority and the Foundation, including any modifications or amendments.

"Trust Agreement" means this Trust Agreement, dated as of December 1, 1996, by and among the Authority, the Foundation and the Trustee, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof.

"Trustee" means Union Bank of California, N.A., a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee hereunder as provided in Section 8.01 of this Trust Agreement.

"Value", which shall be determined as of the end of each month, means the lower of cost or market value, as reported on the statements of the Trustee.

Any such statement or opinion made or given by an officer of the Authority or the Foundation may be based, insofar as it relates to legal or accounting matters, upon a statement or opinion of or representation by counsel or an Accountant, unless such officer knows, or in the exercise of reasonable care should have known, that the statement, opinion or representation with respect to the matters upon which such statement or opinion may be based, as aforesaid, is erroneous. Any such statement or opinion made or given by counsel or an Accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority or the Foundation, as the case may be) upon a statement or opinion of or representation by an officer of the Authority or the Foundation, as the case may be, unless such counsel or Accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such individual's statement or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Authority or the Foundation, or the same counsel or Accountant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Trust Agreement, but different officers, counsel or Accountants may certify to different matters, respectively.

ARTICLE II

THE CERTIFICATES

SECTION 2.01. Preparation of Certificates. The Trustee is hereby authorized to prepare the Certificates in the aggregate principal amount of six million five hundred thousand dollars (\$6,500,000) evidencing undivided ownership interests in the Sublease Payments to be paid by the Authority under and pursuant to the Sublease.

SECTION 2.02. Denominations: Medium and Place of Payment; Dating. The Certificates shall be delivered in the form of fully registered Certificates in denominations of \$100,000 and any integral multiple of \$5,000 in excess of \$100,000. The Certificates shall be registered initially in the name of Golden Eagle Insurance. The Certificates shall be payable in lawful money of the United States of America.

The principal components or Prepayment Price with respect to the Certificates shall be payable upon presentation thereof at the Principal Office of the Trustee; provided that the Trustee may agree with the Holder of any Certificate that such Holder may, in lieu of surrendering the same for a new Certificate, endorse on such Certificate a record of partial payment of the principal component of such Certificate in the form set forth below (which shall be typed or printed on such Certificate):

PAYMENTS ON ACCOUNT OF PRINCIPAL

<u>Payment Date</u>	<u>Principal Amount Paid</u>	<u>Balance of Principal Amount Unpaid</u>	<u>Signature of Holder</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The Trustee shall maintain a record of each such partial payment made in accordance with the foregoing agreement and such record of the Trustee shall be conclusive. Such partial payment shall be valid upon payment of the amount thereof to the Holder of such Certificate, and the Foundation and the Trustee shall be fully released and discharged from all liability to the extent of such payment regardless of whether such endorsement shall or shall not have been made upon such Certificate by the Holder thereof and regardless of any error or omission in such endorsement.

Payment of the interest component with respect to any Certificate shall be made to the person whose name appears on the certificate registration books of the Trustee as the Holder thereof as of the close of business on the Record Date for each Interest Payment Date, such interest to be paid by check mailed by first class mail on such Interest Payment Date to

such Holder at its address as it appears on such registration books, or at the request of any Holder of at least one million dollars (\$1,000,000) in aggregate principal amount of Certificates, by wire transfer within the United States of immediately available funds to the bank account specified in writing by such Holder to the Trustee no later than the applicable Record Date. CUSIP number identification shall accompany all payments of interest, principal and premiums, whether by check or by wire transfer. Following and during the continuation of an Event of Default, the Certificates shall, to the extent permitted by law, represent the additional interest to be paid by the Authority pursuant to Section 2.2(b) of the Sublease.

The Certificates shall be numbered in such manner as shall be determined by the Trustee, and each such Certificate shall represent the payment of interest from the Interest Payment Date next preceding the date of execution thereof unless it is executed as of the day during the period from the Record Date next preceding any Interest Payment Date to such Interest Payment Date, inclusive, in which event it shall represent interest from such Interest Payment Date, or unless it is executed prior to May 15, 1997, in which event it shall represent interest from December 1, 1996; provided, however, that if, at the time of execution of any Certificates, interest is in default on Outstanding Certificates, such Certificate shall represent the payment of interest from the Certificate Payment Date to which interest has previously been paid or made available for payment on the Outstanding Certificates.

Any such interest not punctually paid or duly provided for when it is due shall be paid to the person in whose name the Certificate is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof being given to the Certificateholders not less than ten (10) days prior to such special record date.

SECTION 2.03. Payment of Principal and Interest with Respect to Certificates.

The principal represented by the Certificates shall be payable on the dates and in the amounts set forth below, with an interest component calculated at the rates per annum set forth below:

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
December 1, 2016	\$3,500,000	7.50%
December 1, 2026	3,000,000	7.50

Interest with respect to the Certificates shall be payable on each Interest Payment Date to and including their Certificate Payment Date or the date of prior prepayment thereof. Interest shall be calculated on the basis of a 360-day year comprised of twelve (12) 30-day months.

SECTION 2.04. Forms of Certificates. The Certificates and the form of assignment to appear thereon shall be in substantially the forms, respectively, appearing in Exhibit A hereto, with necessary or appropriate variations, omissions and insertions as permitted or required hereby.

SECTION 2.05. Execution of Certificates. The Certificates shall be executed by and in the name of the Trustee by the manual signature of an authorized signatory of the Trustee.

SECTION 2.06. Transfer of Certificates. Any Certificate may be transferred only upon the books required to be kept pursuant to the provisions of Section 2.08, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee.

Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates having the same Certificate Payment Date for a like aggregate principal amount. The Trustee shall also require the payment by any Certificateholder requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but there shall otherwise be no charge to the Certificateholder for each such transfer.

No transfer of any Certificate shall be required after such Certificate has been selected for prepayment nor during the fifteen (15) days next preceding the date of selection of Certificates for prepayment.

SECTION 2.07. Exchange of Certificates. Certificates may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Certificates of other authorized denominations having the same Certificate Payment Date. The Trustee shall also require the payment by the Holder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange, but there shall otherwise be no charge to the Certificateholder for each such exchange.

No exchange of Certificate shall be required after such Certificate has been selected for prepayment or during the fifteen (15) days next preceding the date of selection of Certificates for prepayment.

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

The Person in whose name any Certificate shall be registered shall be deemed the owner thereof for all purposes hereof, and payment of or on account of the interest, principal and prepayment premium, if any, represented by such Certificate shall be made only to or upon the order in writing of such registered owner, which payments shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid.

SECTION 2.09. Temporary Certificates. The Certificates may be initially delivered in temporary form exchangeable for definitive Certificates when ready for delivery. The temporary Certificates may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Trustee, shall be in registered form without coupons and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Certificate shall be executed by the Trustee upon the same conditions and in substantially the same manner as the definitive Certificates. If the Trustee delivers temporary Certificates it will execute and furnish definitive Certificates without delay, and thereupon the temporary Certificates may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Trustee. The Trustee shall deliver in exchange for such temporary Certificates an equal aggregate principal amount of definitive Certificates having the same Certificate Payment Date or Dates. Until so exchanged, the temporary Certificates shall be entitled to the same benefits under this Trust Agreement as definitive Certificates executed and delivered hereunder.

SECTION 2.10. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Holder of said Certificate, shall execute and deliver a new Certificate of like tenor and Certificate Payment Date and numbered as the Trustee shall determine in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be cancelled by it and destroyed. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and indemnity satisfactory to the Trustee, the Authority and the Foundation shall be given, the Trustee, at the expense of the Certificateholder, shall execute and deliver a new Certificate of like tenor and Certificate Payment Date, and numbered as the Trustee shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Certificate issued under this Section and of the expenses which may be incurred by the Trustee under this Section. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Certificate for a Certificate which has been mutilated, lost, destroyed or stolen and the Certificate Payment Date of which has passed, the Trustee may make payment of such Certificate upon receipt of indemnity satisfactory to the Trustee.

ARTICLE III

DELIVERY OF CERTIFICATES: APPLICATION OF PROCEEDS AND OTHER FUNDS

SECTION 3.01. Delivery of Certificates. The Trustee is hereby authorized and directed to execute and deliver the Certificates, upon Order of the Authority, in the aggregate principal amount of six million five hundred thousand dollars (\$6,500,000).

SECTION 3.02. Application of Proceeds of Certificates. The proceeds received from the sale of the Certificates in the amount of \$6,524,375.00 shall be deposited in trust with the Trustee, who shall forthwith set aside or apply such proceeds as follows:

(1) to the Interest Account the sum of \$24,375.00, representing accrued interest with respect to the Certificates;

(2) to the Capitalized Interest Account the sum of \$625,625.00 representing capitalized interest with respect to the Certificates;

(3) to the Reserve Account the sum of \$578,625.00;

(4) to the Construction Fund the remainder of such proceeds (\$5,295,750.00).

SECTION 3.03. Construction Fund. The Trustee shall establish, maintain and hold a separate fund to be known as the "Construction Fund." The moneys in the Construction Fund shall be applied to the payment of Costs of Issuance (but not in excess of \$130,000) and Project Costs and of expenses incident thereto, including architectural and engineering fees and expenses, furniture and equipment, tests and inspection, surveys, land acquisition and all other expenses in connection with the preparation, execution and delivery of the Certificates, legal fees and expenses of counsel, and similar expenses.

Moneys shall be disbursed from the Construction Fund upon receipt by the Trustee of one or more Requisitions of the Foundation in the form attached hereto as Exhibit B and shall be disbursed pursuant to the instructions set forth in such Requisitions.

Upon receipt by the Trustee of a Completion Certificate of the Foundation in the form attached hereto as Exhibit C, the Trustee shall transfer any remaining balance in the Construction Fund to the Optional Prepayment Account established within the Prepayment Fund maintained pursuant to Section 5.06 hereof, to be used and applied to the call and prepayment of Certificates pursuant to Section 4.01(A), and at the earliest possible dates at which such Certificates can be prepaid at a Prepayment Price of 100% of the principal amount thereof, unless in the opinion of Bond Counsel a different application of such moneys would not cause interest on the Certificates to become includable in gross income for federal income tax purposes; provided that any amount remaining in the Construction Fund that is less than an authorized denomination shall be transferred to the Revenue Fund.

In the event of prepayment of all Outstanding Certificates pursuant to Article IV hereof, any moneys then remaining in the Construction Fund shall be transferred to the Principal Account to pay the principal of such Certificates to be prepaid.

SECTION 3.04. Validity of Certificates. The validity of the authorization, execution and delivery of the Certificates is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Foundation with respect to or in connection with the Lease Agreement or the Sublease. The recital contained in the Certificates that all acts, conditions and things required by the Constitution and statutes of the State of California to exist, to have happened and to have been performed precedent to and in the delivery thereof shall be conclusive evidence of their validity and of compliance with the provisions of law in their execution and delivery.

ARTICLE IV

PREPAYMENT

SECTION 4.01. Terms of Prepayment. (A) The Certificates with a Certificate Payment Date of December 1, 2016, are not subject to optional prepayment prior to their stated Certificate Payment Date. The Certificates with a Certificate Payment Date of December 1, 2026, are subject to prepayment prior to their stated Certificate Payment Date on December 1, 2006, through and including November 30, 2012, as a whole on any date or in part on any Interest Payment Date, at the option of the Authority (which shall be exercised as directed by the Foundation), from moneys derived from optional prepayments of Sublease Payments by the Authority and deposited in the Optional Prepayment Account or from any other source of available funds, at the following Prepayment Prices (expressed as a percentage of the principal amount of Certificates called for prepayment), plus accrued interest with respect thereto to the date fixed for prepayment:

Prepayment Period (Dates Inclusive)	Prepayment Price
December 1, 2006, through November 30, 2007	105%
December 1, 2007, through November 30, 2008	104
December 1, 2008, through November 30, 2009	103
December 1, 2009, through November 30, 2010	102
December 1, 2010, through November 30, 2011	101
December 1, 2011, through November 30, 2012	100
(Not subject to prepayment after November 30, 2012)	

(B) The Certificates are subject to prepayment prior to their Certificate Payment Dates, as a whole on any date or in part on any Interest Payment Date, from insurance or condemnation proceeds with respect to the Project deposited in the Optional Prepayment Account, at a Prepayment Price equal to the principal amount represented thereby plus accrued and unpaid interest represented thereby to the date fixed for prepayment, without premium.

(C) The Certificates are subject to mandatory prepayment in part by lot prior to their stated Certificate Payment Date, at a Prepayment Price equal to the principal amount represented thereby plus accrued and unpaid interest represented thereby to the date fixed for prepayment, without premium, from Mandatory Sinking Account Payments made in accordance with Section 5.04 hereof.

SECTION 4.02. Selection of Certificates for Prepayment. Whenever provision is made in this Trust Agreement for the prepayment on any one date of less than all of the Certificates, the Trustee shall select the Certificates to be prepaid by lot in any manner the Trustee deems fair. The Trustee shall promptly notify the Authority and the Foundation in writing of any prepayment of Certificates and of the Certificates so selected for prepayment.

SECTION 4.03. Notice of Prepayment. Notice of prepayment shall be mailed by first-class mail by the Trustee, not less than thirty (30) nor more than sixty (60) days prior to the prepayment date to (i) the respective Holders of any Certificates designated for prepayment at their addresses appearing on the registration books of the Trustee and (ii) the Securities Depositories and the Information Services. Notice of prepayment shall be given by telecopy, certified, registered, or overnight mail to such Securities Depositories and Information Services. Each notice of prepayment shall state the date of such notice, the dated date of the Certificates, the prepayment date, the Prepayment Price, the place or places of prepayment (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the Certificates, and, if less than all of the Certificates, the distinctive certificate numbers of the Certificates to be prepaid and, in the case of Certificates to be prepaid in part only, the respective portions of the principal amount thereof to be prepaid. Each such notice shall also state that on said date there will become due and payable on each of said Certificates the Prepayment Price thereof, together with interest accrued thereon to the prepayment date, and that from and after such prepayment date interest thereon shall cease to accrue, and shall require that such Certificates be then surrendered at the address or addresses of the Trustee specified in the prepayment notice.

Notice of prepayment of Certificates shall be given by the Trustee, at the expense of the Foundation.

Failure by the Trustee to give notice pursuant to this Section 4.03 to any one or more of the Information Services or Securities Depositories shall not affect the sufficiency of the proceedings for prepayment. Failure by the Trustee to mail notice of prepayment pursuant to this Section 4.03 to any one or more of the respective Holders of any Certificates designated for prepayment shall not affect the sufficiency of the proceedings for prepayment with respect to the Holder or Holders to whom such notice was mailed.

SECTION 4.04. Effect of Prepayment. Notice of prepayment having been duly given as aforesaid, and moneys for payment of the Prepayment Price of, together with interest accrued to the prepayment date with respect to, the Certificates so called for prepayment being held by the Trustee, on the prepayment date designated in such notice, the Certificates so called for prepayment shall become due and payable at the Prepayment Price specified in such notice and interest accrued with respect thereto to the prepayment date, interest with respect to the

Certificates so called for prepayment shall cease to accrue. said Certificates shall cease to be entitled to any benefit or security under this Trust Agreement. and the Holders of said Certificates shall have no rights in respect thereof except to receive payment of said Prepayment Price and accrued interest.

All Certificates prepaid pursuant to the provisions of this Article shall be cancelled upon surrender thereof by the Trustee.

ARTICLE V

FUNDS AND ACCOUNTS

SECTION 5.01. Pledge and Assignment: Revenue Fund. (A) Subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein and therein, there are hereby pledged to secure the payment of the principal and interest components and prepayment premium, if any, payable with respect to the Certificates in accordance with their terms and the provisions of this Trust Agreement, all of the interests of the Foundation and the Authority in the Revenues and any other amounts (including proceeds of the sale of Certificates) held in any fund or account established pursuant to this Trust Agreement, excepting only moneys on deposit in the Rebate Fund and Supplemental Payments paid by the Foundation pursuant to Sections 4.2, 6.2, 6.3 and 7.4 of the Lease Agreement. Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery by the Trustee of the Certificates, without any physical delivery thereof or further act.

(B) The Authority hereby transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Holders from time to time of the Certificates, (i) all of its interests in the Revenues and other assets pledged in subsection (A) of this Section, (ii) all of the right, title and interest of the Authority in the Sublease, and (iii) all of the right, title and interest of the Authority in the Lease Agreement, except for the right to receive any Administrative Fees and Expenses payable to the Authority and the rights of the Authority under Sections 6.2 and 6.3 of the Lease Agreement. The Foundation hereby transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Holders from time to time of the Certificates, (i) all of its interests in the Revenues and other assets pledged in subsection (A) of this Section, (ii) all of the right, title and interest of the Foundation in the Sublease and (iii) all of the right, title and interest of the Foundation in the Sublease Payments. The Trustee shall be entitled to and shall collect and receive all of the Revenues. Following a Lease Agreement Default, the Trustee shall be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce all of the rights of the Authority which have been assigned to the Trustee and all of the obligations of the Foundation under the Lease Agreement (other than with respect to the Special Program Covenant).

(C) All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Revenue Fund" which the Trustee shall establish, maintain and hold in trust: except as otherwise provided in Sections 5.06, 5.07 and 5.08 and

except that all moneys received by the Trustee and required by the Lease Agreement to be deposited in the Prepayment Fund shall be promptly deposited in the Prepayment Fund established pursuant to Section 5.06 hereof. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Trust Agreement.

(D) If by the sixteenth (16th) day of each month (or the next succeeding Business Day if such day is not a Business Day), the Trustee has not received moneys sufficient to make the transfers and deposits into the Interest Account and the Principal Account required on the twenty-fifth (25th) day of such month, the Trustee shall immediately notify the Foundation of such insufficiency by telephone, telegram or teletype and, if such notification is by telephone, confirm such notification by written notice.

(E) If on the nineteenth (19th) day of each month (or the next succeeding Business Day if such day is not a Business Day), there are insufficient amounts to make the required deposits to the Interest Account and the Principal Account on the twenty-fifth (25th) day of such month, the Trustee shall immediately notify the Foundation by telephone, telegram or teletype and in writing. Such notice shall state:

(1) that available moneys held by the Trustee will be insufficient to pay in full the next succeeding payment into the Interest Account and the Principal Account with respect to the Certificates; and

(2) the amount by which the obligation to make such payment exceeds the amount available therefor (the "Shortfall").

Said notice shall request the Foundation to deposit an amount equal to the Shortfall into the Principal Account and/or Interest Account no later than the Business Day following such notice. In the event that on the twentieth (20th) day of each month (or the next succeeding Business Day if such day is not a Business Day), the Trustee does not have amounts sufficient to make the transfers and deposits required by Section 5.02 hereof, the Trustee shall take the actions required by Section 4.5 of the Lease Agreement.

(F) To the extent insufficient funds are on deposit in the Interest Account or Principal Account on any Interest Payment Date, the Trustee shall withdraw moneys from the Reserve Account as provided in Section 5.05 hereof to the extent required to pay principal or interest then due and payable with respect to the Certificates.

SECTION 5.02. Allocation of Revenues. The Trustee shall transfer from the Revenue Fund, and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Revenue Fund) on or before the twenty-fifth (25th) day of each month the following amounts, in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account or fund subsequent in priority:

First: Commencing January 25, 1997, to the Interest Account, one-sixth (1/6) of the aggregate amount of the interest component becoming due and payable on the next succeeding Interest Payment Date with respect to all Certificates then Outstanding, less any amounts to be transferred from the Capitalized Interest Account; provided, that from the date of delivery of the Certificates to the first Interest Payment Date, such deposit shall be sufficient on a monthly pro rata basis to pay the interest component becoming due and payable on said Interest Payment Date;

Second: Commencing on December 25, 1997, to the Principal Account, one-twelfth (1/12) of the aggregate amount of the principal component becoming due on the next succeeding Certificate Payment Date; and

Third: To the Reserve Account, an amount equal to one-twelfth (1/12) of the amount of any prior unreplenished withdrawal from, or reported deficiency in, the Reserve Account. No deposit need be made into the Reserve Account so long as the balance in said account shall be at least equal to the Reserve Account Requirement.

On the Business Day next succeeding each Certificate Payment Date, any moneys remaining in the Revenue Fund after the foregoing transfers shall be transferred to the Foundation.

SECTION 5.03. Application of Interest Account. (A) All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest component of the Sublease Payments of the Authority as the same become due and payable pursuant to the Sublease, which interest is payable to the Certificateholders on each Interest Payment Date (including accrued interest with respect to any Certificates purchased or prepaid prior to their Certificate Payment Date pursuant to this Trust Agreement).

(B) The Trustee shall establish and maintain within the Interest Account a separate subaccount designated as the "Capitalized Interest Account." Moneys in the Capitalized Interest Account shall be transferred by the Trustee and deposited in the Interest Account on each Interest Payment Date in the amount required to be deposited in the Interest Account on such date (taking into account any amounts on deposit in the Interest Account and available for the payment of such interest), to the full extent available.

SECTION 5.04. Application of Principal Account. (A) All amounts in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal component of the Sublease Payments of the Authority as the same become due and payable pursuant to the Sublease, which principal component is payable to the Certificateholders as their respective Certificates become due and payable.

(B) The Trustee shall establish and maintain within the Principal Account a separate subaccount for the Certificates with a Certificate Payment Date of December 1, 2016, designated as the "2016 Sinking Account" and a separate subaccount for the Certificates with a Certificate Payment Date of December 1, 2026, designated as the "2026 Sinking Account". On each Mandatory Sinking Account Payment date, the Trustee shall apply the Mandatory

Sinking Account Payment required on that date to the prepayment (or payment on their stated Certificate Payment Date, as the case may be) of Certificates of such Certificate Payment Date, upon the notice and in the manner provided in Article IV; provided that, at any time prior to giving such notice of such prepayment, the Trustee may apply moneys in such Sinking Account to the purchase of Certificates of such Certificate Payment Date at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as directed in writing by the Foundation, except that the purchase price (excluding accrued interest) shall not exceed the Prepayment Price that would be payable for such Certificates upon prepayment by application of such Mandatory Sinking Account Payment. If, during the twelve-month period immediately preceding said Mandatory Sinking Account Payment date, the Trustee has purchased Certificates of such Certificate Payment Date with moneys in such Sinking Account, or, during said period and prior to giving said notice of prepayment, the Foundation has deposited Certificates of such Certificate Payment Date with the Trustee (together with a Request of the Foundation to apply such Certificates so deposited to the Mandatory Sinking Account Payment due on said date), or Certificates of such Certificate Payment Date were at any time purchased or prepaid by the Trustee from the Prepayment Fund and allocable to such Mandatory Sinking Account Payment, such Certificates so purchased or deposited or prepaid shall be applied, to the extent of the full principal component thereof, to reduce said Mandatory Sinking Account Payment. All Certificates purchased or deposited pursuant to this subsection, if any, shall be cancelled. Any amounts remaining in a Sinking Account when all of the Certificates of the respective Certificate Payment Date are no longer Outstanding shall be withdrawn by the Trustee and transferred to the Revenue Fund. Certificates purchased from a Sinking Account, purchased or prepaid from the Prepayment Fund or deposited by the Foundation with the Trustee shall be allocated first to the next succeeding Mandatory Sinking Account Payment for Certificates of the respective Certificate Payment Date, then as a credit against such future Mandatory Sinking Account Payments for Certificates of the respective Certificate Payment Date as the Foundation may specify.

(C) Subject to the terms and conditions hereinbefore set forth in this Section, the Certificates shall be prepaid (or paid on such date, as the case may be) by application of Mandatory Sinking Account Payments in the following amounts and upon the following dates:

Certificates due December 1, 2016

Mandatory Sinking Account Certificate Prepayment Dates (December 1)	Mandatory Sinking Account Payments	Mandatory Sinking Account Certificate Prepayment Dates (December 1)	Mandatory Sinking Account Payments
1998	\$ 90,000	2008	\$185,000
1999	95,000	2009	195,000
2000	105,000	2010	210,000
2001	110,000	2011	225,000
2002	120,000	2012	245,000
2003	130,000	2013	265,000
2004	135,000	2014	285,000
2005	145,000	2015	305,000
2006	160,000	2016*	325,000
2007	170,000		

* Maturity

Certificates due December 1, 2026

Mandatory Sinking Account Certificate Prepayment Dates (December 1)	Mandatory Sinking Account Payments	Mandatory Sinking Account Certificate Prepayment Dates (December 1)	Mandatory Sinking Account Payments
2017	\$210,000	2022	\$305,000
2018	230,000	2023	325,000
2019	245,000	2024	350,000
2020	265,000	2025	380,000
2021	285,000	2026*	405,000

* Maturity

SECTION 5.05. Application of Reserve Account. The Trustee shall establish and maintain the Reserve Account hereunder. If at any time the amount available and contained in the Reserve Account exceeds an amount equal to the Reserve Account Requirement and if the Foundation and the Authority are not then in default under the Sublease, the Lease Agreement or hereunder, the Trustee shall (upon the Written Request of the Foundation) withdraw the amount of such excess from the Reserve Account and transfer such amount to the Revenue Fund. For this determination, the Trustee shall make a valuation of the Reserve Account as provided in Section 5.08. Except for such withdrawals, all money in the Reserve Account shall be used and withdrawn by the Trustee on each Interest Payment Date, if required, for the purpose of making the principal and interest components of Sublease Payments in the event that such payments are not made by the Authority as provided in the Sublease.

SECTION 5.06. Application of Prepayment Fund. The Trustee shall establish and maintain within the Prepayment Fund (which fund the Trustee shall establish, maintain and hold in trust) a separate Optional Prepayment Account and a separate Special Prepayment Account. All amounts deposited in the Optional Prepayment Account and in the Special Prepayment Account shall be accepted and used and withdrawn by the Trustee for the purpose of prepaying the principal components of the Sublease Payments of the Authority and thereby prepaying Certificates, in the manner and upon the terms and conditions specified in Article IV; provided that, at any time prior to giving notice of such prepayment to the Certificateholders, the Trustee may apply such amounts to the purchase of Certificates at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Revenue Fund) as the Trustee may be directed by the Foundation, except that the purchase price (exclusive of accrued interest) may not exceed applicable Prepayment Price; and provided further that amounts deposited in the Optional Prepayment Account pursuant to Section 3.03 hereof shall be applied as provided therein.

SECTION 5.07. Rebate Fund. (A) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary to comply with the terms of the Tax Certificate and Agreement. Subject to the transfer provisions provided in paragraph (E) below, all money at any time deposited in the Rebate Fund shall be accepted by and held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate and Agreement), for payment to the federal government of the United States of America. The Authority, the Foundation and the Holders of the Certificates shall have no rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section, by Section 6.05 hereof and by the Tax Certificate and Agreement (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the directions of the Foundation, including supplying all necessary information in the manner provided in the Tax Certificate and Agreement, and shall have no liability or responsibility to enforce compliance by the Authority or the Foundation with the terms of the Tax Certificate and Agreement.

(B) Upon the Foundation's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the Foundation if and to the extent required, so that the balance of the Rebate Fund after such deposit shall equal the Rebate Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the Foundation in accordance with the Tax Certificate and Agreement.

(C) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section, other than from moneys held in the Rebate Fund or from other moneys provided to it by the Foundation.

(D) The Trustee shall invest all amounts held in the Rebate Fund in Investment Securities as directed by the Foundation, which directions shall be in accordance with the restrictions set forth in the Tax Certificate and Agreement. Money shall not be transferred from the Rebate Fund except as provided in paragraph (E) below.

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

(F) Notwithstanding any other provision of this Trust Agreement, including in particular Article X hereof, the obligation to remit the Rebate Requirement to the United States and to comply with all other requirements of this Section, Section 6.05 and the Tax Certificate and Agreement shall survive the defeasance or payment in full of the Certificates.

SECTION 5.08. Investment of Moneys in Funds. Subject to the limitations provided herein, all moneys in any of the funds and accounts established pursuant to this Trust Agreement shall be invested by the Trustee at the written direction of the Foundation solely in Investment Securities. The Foundation shall direct investments such that all Investment Securities shall be acquired subject to the limitations set forth in Section 6.05, the limitations as to maturities hereinafter in this Section set forth and such additional limitations or requirements consistent with the foregoing as may be established by Request of the Foundation. In the absence of written investment directions from the Foundation, the Trustee shall invest solely in Investment Securities set forth in clause (8) of the definition thereof.

The Foundation shall direct investments such that moneys in the funds and accounts created hereunder shall be invested in Investment Securities maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Trust Agreement.

All interest, profits and other income received from the investment of moneys in the Rebate Fund shall be deposited when received in such fund. All interest, profits and other income received from the investment of moneys in any other fund or account established pursuant to this Trust Agreement shall be deposited, when received, as follows: (a) prior to receipt by the Trustee of the Completion Certificate of the Foundation, such interest, profits and income shall be deposited in the Construction Fund, and (b) from and after receipt by the Trustee of the Completion Certificate of the Foundation, such interest, profits and income shall be deposited in the Revenue Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the fund or account for the credit of which such Investment Security was acquired.

Investment Securities acquired as an investment of moneys in any fund or account established under this Trust Agreement shall be credited to such fund or account. For the purpose of determining the amount in any such fund or account, the Trustee shall determine the Value of all Investment Securities credited to such fund or account each month.

Subject to Section 6.05, the Trustee may commingle any of the funds or accounts established pursuant to this Trust Agreement in a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Trust Agreement, and provided further that the Trustee shall not be liable or responsible for any loss resulting from such commingling. The Trustee may act as principal or agent in the making or disposing of any investment. The Trustee may sell at the best price reasonably obtainable, or present for redemption or prepayment, any Investment Securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

ARTICLE VI

PARTICULAR COVENANTS

SECTION 6.01. Extension of Payment of Certificates. The Foundation and the Authority shall not directly or indirectly extend or assent to the extension of the payment dates of any of the Sublease Payments or the Certificates represented thereby or the time of payment of any of the claims for interest by the purchase or funding of such Certificates or claims for interest or by any other arrangement. Nothing in this Section shall be deemed to limit the right of the Foundation and the Authority to enter into a Supplemental Sublease for the purpose of providing for the payment or prepayment of any Sublease Payments or the Certificates represented thereby.

SECTION 6.02. Against Encumbrances. The Foundation and the Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Trust Agreement while any of the Certificates are Outstanding, except the pledge and assignment created by this Trust Agreement and the subordinate lien of a financial guaranty agreement relating to a reserve fund surety bond. Subject to this limitation, the Foundation and the Authority expressly reserve the right to enter into one or more other trust agreements for any of their corporate purposes and reserve the right to issue other obligations (which are not payable from Revenues) for such purposes.

SECTION 6.03. Power to Enter Into Agreements and Make Pledge and Assignment. The Authority and the Foundation are duly authorized pursuant to law to enter into each of the following documents to which they are a party: the City Lease, the Sublease, the Lease Agreement and this Trust Agreement. The Foundation and the Authority are duly authorized pursuant to law to pledge and assign all of the Revenues and other assets purported to be pledged and assigned, respectively, under this Trust Agreement in the manner and to the

extent provided in this Trust Agreement. The obligation of the Authority to make the Sublease Payments pursuant to the Sublease (but solely from the sources specified therein) and the provisions of this Trust Agreement is and will be the legal, valid and binding limited obligation of the Authority in accordance with the terms thereof and hereof, and the Authority, the Foundation and the Trustee shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of all of their respective interests in Revenues and other assets and all the rights of the Certificateholders under this Trust Agreement against all claims and demands of all persons.

SECTION 6.04. Accounting Records of Trustee. (A) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry practices in which complete and accurate entries shall be made of all transactions made by the Trustee relating to the proceeds of Certificates, the Revenues, the Sublease, the Lease Agreement and all funds and accounts established pursuant to this Trust Agreement, including all records and information maintained by the Trustee needed by the Foundation in order to calculate the Rebate Requirement in accordance with the Tax Certificate and Agreement. Such books of record and account shall be available for inspection by the Authority, the Foundation and any Certificateholder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(B) The Trustee shall file and furnish to the Authority (if requested in a Request of the Authority) and each Certificateholder who shall have filed his name and address with the Trustee for such purpose within the preceding twelve (12) months (at such Certificateholder's cost) (1) a copy of the most recent audited financial statements of the Foundation, as furnished to the Trustee pursuant to the Lease Agreement, and (2) on or before February 1 of each year, a statement (which need not be audited) covering receipts, disbursements, allocation and application of Revenues and any other moneys (including proceeds of Certificates) in any of the funds and accounts established pursuant to this Trust Agreement (a "Trustee Statement") for the year ended on the preceding December 31. During each month during the term of this Trust Agreement, the Trustee shall also furnish to the Foundation a Trustee Statement for the then preceding month.

SECTION 6.05. Tax Covenants. The Authority and the Foundation each covenant that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest payable with respect to the Certificates under Section 103 of the Code. The Authority and the Foundation shall not directly or indirectly use or permit the use of any proceeds of the Certificates or any other funds of the Authority or the Foundation, or take or omit to take any action that would cause any Certificate to be "arbitrage bond" within the meaning of Section 148(a) of the Code. To that end, the Authority and the Foundation will comply with all requirements of Section 148 of the Code to the extent applicable to the Certificates. In the event that at any time the Authority or the Foundation is of the opinion that for purposes of this Section 6.05 it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Trust Agreement or otherwise, the Authority or the Foundation shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Without limiting the generality of the foregoing, the Authority and the Foundation agree that there shall be paid from time to time (but solely from amounts received from the Foundation pursuant to the Lease Agreement and the Tax Certificate and Agreement) all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Certificates from time to time. This covenant shall survive payment in full or defeasance of the Sublease Payments and the Certificates. The Trustee shall comply with all instructions of the Foundation given in accordance with the Tax Certificate and Agreement.

Notwithstanding any provision of this Section, if the Foundation shall provide to the Authority and the Trustee an opinion of Bond Counsel to the effect that any action required under this Section, Section 5.07 hereof and the Tax Certificate and Agreement is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest payable with respect to the Certificates pursuant to Section 103 of the Code, the Authority and the Trustee may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder shall be deemed to be modified to that extent.

SECTION 6.06. Other Covenants. (A) Subject to the provisions of this Trust Agreement, the Trustee shall promptly collect all amounts due from the Foundation pursuant to the Lease Agreement and shall, subject to Article VIII, diligently enforce, and take all steps, actions and proceedings reasonably necessary for the enforcement of all of the obligations of the Foundation in and under the Lease Agreement which have been assigned to it pursuant to Section 5.01(C).

(B) The Trustee shall collect from the Foundation, and transfer to the Authority, the annual fee payable by the Foundation to the Authority in accordance with Section 4.2 of the Lease Agreement.

SECTION 6.07. Further Assurances. The Authority and the Foundation shall make, execute and deliver any and all such further trust agreements, indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and for the better assuring and confirming unto the Holders of the Certificates of the rights and benefits provided in this Trust Agreement.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. Events of Default. The following events shall be Events of Default:

- (a) default in the due and punctual payment of the principal or Prepayment Price or interest with respect to the Certificates when and as the same shall become due and payable;

(b) default by the Authority or the Foundation in the observance of any of the covenants, agreements or conditions on its part in this Trust Agreement contained, if such default shall have continued for a period of forty-five (45) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority and the Foundation by the Trustee, or to the Authority, the Foundation and the Trustee by the Holders of not less than fifty per cent (50%) in aggregate principal amount of the Certificates at the time Outstanding; or

(c) a Sublease Default or a Lease Agreement Default.

SECTION 7.02. Acceleration. If any Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, and shall at the direction of the Holders of a majority in aggregate principal amount of the Certificates then Outstanding, upon notice in writing to the Authority and the Foundation, declare the principal component of all of the Sublease Payments and the Certificates by which they are represented then Outstanding, and the interest accrued with respect thereto, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Trust Agreement or in the Certificates contained to the contrary notwithstanding.

Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, there shall be deposited with the Trustee a sum sufficient to pay all Sublease Payments the payment of which is overdue, with interest on such overdue principal component of such overdue Sublease Payments at the rate borne by the respective Certificates, and the reasonable charges and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of the Sublease Payments due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Holders of not less than a majority in aggregate principal amount with respect to the Certificates then Outstanding, by written notice to the Authority, the Foundation and the Trustee, or the Trustee if such declaration was made by the Trustee, may, on behalf of the Holders of all of the Certificates, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 7.03. Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Trust Agreement (subject to Section 11.10) shall be applied by the Trustee as follows and in the following order:

(1) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Certificates and payment of reasonable charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Trust Agreement;

(2) To the payment of the principal or Prepayment Price and interest then due with respect to the Certificates (upon presentation of the Certificates to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Trust Agreement (including Section 6.01), as follows:

(i) Unless the principal component of the Sublease Payments shall have become or have been declared due and payable,

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal or Prepayment Price with respect to any Certificates which shall have become due, whether on their Certificate Payment Dates or by call for prepayment, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Certificates, and, if the amount available shall not be sufficient to pay in full all the Certificates due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Prepayment Price due on such date to the Persons entitled thereto, without any discrimination or preference; and

(ii) If the principal component of the Sublease Payments shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid with respect to the Certificates, with interest on the overdue principal at the rate borne by the Certificates, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Certificate over any other Certificate, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

SECTION 7.04. Trustee to Represent Certificateholders. The Trustee is hereby irrevocably appointed (and the successive respective Holders of the Certificates by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Certificates for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Certificates, this Trust Agreement, the Sublease and the Lease Agreement and applicable provisions of law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Certificateholders, the Trustee in its discretion may, and upon the written request of the Holders of not less than fifty per cent (50%) in aggregate principal amount of the Certificates then

Outstanding, and upon being indemnified to its satisfaction therefor, shall, in each case (except in the case of an Event of Default arising under Section 6.05) proceed to protect or enforce its rights or the rights of such Holders by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Holders under this Trust Agreement, the Sublease or the Lease Agreement or any law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under this Trust Agreement pending such proceedings. All rights of action under this Trust Agreement or the Certificates or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Holders of such Certificates, subject to the provisions of this Trust Agreement (including Section 6.01).

SECTION 7.05. Certificateholders' Direction of Proceedings. Anything in this Trust Agreement to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of the Certificates then Outstanding in each case (except in the case of an Event of Default arising under Section 6.05), shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Trust Agreement, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Certificateholders not parties to such direction.

SECTION 7.06. Limitation on Certificateholders' Right to Sue. No Holder of any Certificate shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Trust Agreement, the Sublease or the Lease Agreement or any applicable law with respect to such Certificate, unless (1) such Holder shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Holders of not less than fifty per cent (50%) in aggregate principal amount of the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Holder or said Holders shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (4) the Trustee shall have refused or omitted to comply with such request for a period of forty-five (45) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Certificates of any remedy hereunder or under law; it being understood and intended that no one or more Holders of Certificates shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Trust Agreement or the rights of any other

Holders of Certificates, or to enforce any right under this Trust Agreement, the Sublease or the Lease Agreement or other applicable law with respect to the Certificates, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Holders of the Outstanding Certificates, subject to the provisions of this Trust Agreement (including Section 6.01).

Notwithstanding any other provision in this Trust Agreement, each Certificateholder shall have the right to receive payment of the principal and the premium, if any, and interest represented by its Certificate at the respective dates on which the same become due and payable in accordance with the terms, from the source and in the manner provided in such Certificate and in this Trust Agreement, and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Certificateholder.

SECTION 7.07. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Certificateholders on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Certificateholders, then in every such case the Authority, the Foundation, the Trustee and the Certificateholders, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Foundation, the Trustee and the Certificateholders shall continue as though no such proceedings had been taken.

SECTION 7.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Certificates is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.09. No Waiver of Default. No delay or omission of the Trustee or of any Holder of the Certificates to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Trust Agreement to the Trustee or to the Holders of the Certificates may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01. Duties, Immunities and Liabilities of Trustee. (A) The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement. The Trustee shall, during the existence of any Event of Default (which has not been

cured), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

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

(C) The Trustee may at any time resign by giving written notice of such resignation to the Authority and the Foundation and by giving the Certificateholders notice of such resignation by mail, first-class postage prepaid, to the Holders at the addresses listed on the registration books kept by the Trustee. Upon receiving such notice of resignation, the Foundation (with the consent of the Authority) shall promptly appoint a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(D) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee acceptable to the Foundation and the Authority. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Certificateholder (on behalf of himself and all other Certificateholders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Trust Agreement, shall signify its acceptance of such appointment by executing and delivering to the Authority and the Foundation and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the Foundation or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Trust Agreement and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority and the Foundation shall execute and deliver any and all

instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the successor Trustee shall cause such notice to be mailed, first class postage prepaid, to the Holders at the addresses listed on the registration books kept by the Trustee.

(E) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a trust company or bank having the powers of a trust company having a combined capital and surplus of at least fifty million dollars (\$50,000,000), and be subject to supervision and examination by a federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (E), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

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

SECTION 8.03. Liability of Trustee. (A) The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence, default, or willful misconduct. The Trustee may become the owner of Certificates with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Certificateholders, whether or not such committee shall represent the Holders of a majority in principal amount of the Certificates then Outstanding.

(B) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless the Trustee was negligent. The Trustee may appoint attorneys or agents to act on its behalf and shall not be liable for the actions of said agents or attorneys appointed with reasonable care.

(C) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Certificates at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee; or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

(D) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of the Holders, pursuant to the provisions of this Trust Agreement, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

(E) The Trustee makes no representations as to the validity or sufficiency of the Certificates and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Certificates assigned to or imposed upon it. The Trustee makes no representation concerning the truth or accuracy of the recitals contained in this Trust Agreement. The Trustee shall not be responsible for the sufficiency of the Sublease or the Lease Agreement. The Trustee shall not be liable for the sufficiency or collection of any Sublease Payments or other moneys required to be paid to it under the Sublease or the Lease Agreement (except as provided in this Trust Agreement), its right to receive moneys pursuant to the Lease Agreement or the Sublease, or the value of or title to the Project or the Facilities. The Trustee makes no representations and shall have no responsibility for any official statement or other offering material prepared or distributed with respect to the Certificates.

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

Whenever in the administration of the trusts imposed upon it by this Trust Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Statement of the Authority or the Foundation, and such Statement shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Trust Agreement in reliance upon such Statement, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

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

SECTION 8.06. Compensation and Indemnification. The Trustee shall be entitled to receive compensation from the Foundation from time to time (as agreed to in a separate letter agreement) for all services rendered under this Trust Agreement, and also all

reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Trust Agreement in each case as set forth in a separate letter agreement. Pursuant to the Lease Agreement, the Foundation shall agree to indemnify and save the Trustee against certain losses, expenses and liabilities arising out of or in the exercise and performance of its powers and duties hereunder. The Trustee's rights to compensation and indemnification under this Section and the Lease Agreement shall survive resignation or removal of the Trustee under this Trust Agreement and payment of the Sublease Payments and discharge of this Trust Agreement.

ARTICLE IX

MODIFICATION OR AMENDMENT OF AGREEMENTS

SECTION 9.01. Amendments Permitted. (A) This Trust Agreement, the Sublease and the Lease Agreement, and the rights and obligations of the Authority, the Foundation and of the Holders of the Certificates and of the Trustee may be modified or amended from time to time and at any time by a trust agreement(s), sublease(s) or lease agreement(s), each or all supplemental thereto, which the Authority, the Foundation and the Trustee may enter into when the written consents of the Holders of at least a majority in aggregate principal amount of the Certificates then Outstanding shall have been filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Certificates of any particular Certificate Payment Date remain Outstanding, the consent of the Holders of such Certificates shall not be required and such Certificates shall not be deemed to be Outstanding for the purpose of any calculation of Certificates Outstanding under this Section. No such modification or amendment shall (1) extend the Certificate Payment Date of any Certificate, or reduce the amount of principal represented thereby, or extend the time of payment thereof or reduce the rate of interest with respect thereto, or extend the time of payment of interest with respect thereto, or reduce any premium payable upon the prepayment thereof, without the written consent of the Holder of each Certificate so affected, or (2) reduce the aforesaid percentage of Certificates the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Trust Agreement prior to or on a parity with the lien created by this Trust Agreement, or deprive the Holders of the Certificates of the lien created by this Trust Agreement on such Revenues and other assets (except as expressly provided in this Trust Agreement), without the consent of the Holders of all of the Certificates then Outstanding. For such consent to be effective, it shall not be necessary that the Certificateholders approve the particular form of any Supplemental Trust Agreement, Supplemental Sublease or Supplemental Lease Agreement, but it shall be sufficient if the Certificateholders shall approve the substance thereof. Promptly after the execution by the Authority, the Foundation and the Trustee of any Supplemental Trust Agreement, Supplemental Sublease or Supplemental Lease Agreement, pursuant to this subsection (A), the Trustee shall mail a notice, first class postage prepaid, setting forth in general terms the substance of such Supplemental Trust Agreement, Supplemental Sublease or Supplemental Lease Agreement, to each Rating Agency then rating the Certificates and the Certificateholders at the addresses listed on the registration books kept by the Trustee

pursuant to Section 2.08 hereof. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Trust Agreement, Supplemental Sublease or Supplemental Lease Agreement.

(B) This Trust Agreement, the Sublease and the Lease Agreement and the rights and obligations of the Authority, of the Foundation, of the Trustee and of the Holders of the Certificates may also be modified or amended from time to time and at any time by a supplemental trust agreement, sublease or lease agreement, respectively, which the Authority, the Foundation and the Trustee may enter into without the consent of or notice to any Certificateholders, but only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority or the Foundation contained in this Trust Agreement, the Sublease or the Lease Agreement other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Certificates (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority or the Foundation, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Holders of the Certificates:

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Trust Agreement, the Sublease or the Lease Agreement, or in regard to matters or questions arising under this Trust Agreement, the Sublease or the Lease Agreement, or to make any other revisions or additions to this Trust Agreement, the Sublease or the Lease Agreement as the Authority or the Foundation may deem necessary or desirable, and which shall not materially adversely affect the interests of the Holders of the Certificates:

(3) to modify, amend or supplement this Trust Agreement in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Holders of the Certificates:

(4) to provide any additional procedures, covenants or agreements to maintain the exclusion from gross income for federal income tax purposes of the interest with respect to the Sublease and the Certificates, including the amendment of any Tax Certificate and Agreement:

(5) to modify or add to the procedures providing for notice in the event of prepayment of the Certificates in order to comply with regulations promulgated by the United States Securities and Exchange Commission: or

(6) to amend, modify or eliminate the book-entry registration system for the Certificates.

(C) The Trustee may in its discretion, but shall not be obligated to, enter into any Supplemental Trust Agreement, Supplemental Lease Agreement or Supplemental Sublease authorized by subsections (A) or (B) of this Section which adversely affects the Trustee's own rights, duties or immunities under this Trust Agreement or otherwise. The Trustee may receive an Opinion of Counsel as conclusive evidence that any Supplemental Trust Agreement, Supplemental Sublease or Supplemental Lease Agreement complies with the provisions of this Article IX.

SECTION 9.02. Effect of Supplemental Trust Agreement, Supplemental Sublease and Supplemental Lease Agreement. Upon the execution of any Supplemental Trust Agreement, Supplemental Lease Agreement or Supplemental Sublease pursuant to this Article, said agreements shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under said agreements of the Authority, the Foundation, the Trustee and all Holders of Certificates Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Trust Agreement, Supplemental Lease Agreement or Supplemental Sublease shall be deemed to be part of the terms and conditions of this Trust Agreement, the Lease Agreement and the Sublease, respectively, for any and all purposes.

SECTION 9.03. Endorsement of Certificates; Preparation of New Certificates. Certificates delivered after the execution of any Supplemental Trust Agreement pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Trustee as to any modification or amendment provided for in such Supplemental Trust Agreement, and, in that case, upon demand of the Holder of any Certificate Outstanding at the time of such execution and presentation of his Certificate for such purpose at the Principal Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Certificate. If the Supplemental Trust Agreement shall so provide, new Certificates so modified as to conform, in the opinion of the Foundation, to any modification or amendment contained in such Supplemental Trust Agreement, shall be prepared and executed by the Trustee, and upon demand of the Holders of any Certificates then Outstanding shall be exchanged at the Principal Office of the Trustee, without cost to any Certificateholder, for Certificates then Outstanding, upon surrender for cancellation of such Certificates in equal aggregate principal amounts having the same Certificate Payment Date.

SECTION 9.04. Amendment of Particular Certificates. The provisions of this Article shall not prevent any Certificateholder from accepting any amendment as to the particular Certificates held by him, provided that due notation thereof is made on such Certificates.

ARTICLE X

DEFEASANCE

SECTION 10.01. Discharge of Trust Agreement. When the obligations of the Authority under the Sublease shall cease pursuant to Article V of the Lease Agreement (except for the right of the Trustee and the obligation of the Authority to have the money and Investment Securities mentioned therein applied to the payment of Sublease Payments as therein set forth), then and in that case the obligations created by this Trust Agreement shall thereupon cease, determine and become void, except for the right of the Certificateholders to receive and the obligation of the Trustee to apply such moneys and Investment Securities to the payment of the Certificates as herein set forth and the Trustee shall turn over to the Foundation upon its written request, as an overpayment of Payments, any surplus in the Revenue Fund and all balances remaining in any other funds or accounts (except the Rebate Fund which shall be governed by the Tax Certificate and Agreement) other than moneys and Investment Securities held for the payment of the Certificates on their Certificate Payment Dates or on prepayment, which moneys and Investment Securities shall continue to be held by the Trustee in trust for the benefit of the Certificateholders and shall be applied by the Trustee to the payment, when due, of the principal and any premium and interest represented by the Certificates, and after such payment, this Trust Agreement shall become void. Upon Request of the Foundation or the Authority, the Trustee shall cause an accounting for such period or periods as may be requested by the Foundation or the Authority, as the case may be, to be prepared and filed with the Foundation and the Authority and shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence the discharge and satisfaction of the Sublease.

If moneys or Investment Securities are deposited with and held by the Trustee as hereinabove provided, the Trustee shall within thirty (30) days after such Investment Securities shall have been deposited with it mail a notice, first class postage prepaid, to the Holders at the addresses listed on the registration books kept by the Trustee pursuant to Section 2.08 hereof, (a) setting forth the Certificate Payment Date or date fixed for prepayment, as the case may be, of the Certificates, (b) giving a description of the Investment Securities, if any, so held by it, and (c) stating that this Trust Agreement has been released in accordance with the provisions of this Section.

SECTION 10.02. Deposit of Money or Securities with Trustee. Whenever in this Trust Agreement or the Sublease it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Certificates, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Trust Agreement (exclusive of the Rebate Fund) and shall be:

- (a) lawful money of the United States of America in an amount equal to the principal amount of such Certificates and all unpaid interest with respect thereto to the Certificate Payment Date, except that, in the case of Certificates which are to be prepaid prior to the Certificate Payment Date and in respect of which notice of such prepayment shall have been given as in Article IV provided or provision satisfactory to the Trustee

shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Prepayment Price with respect to such Certificates and all unpaid interest with respect thereto to the prepayment date; or

(b) Investment Securities described in clause (1) of the definition thereof (not callable by the issuer thereof prior to maturity), the principal of and interest on which when due will provide money sufficient to pay the principal or Prepayment Price and all unpaid interest to the Certificate Payment Date, or to the prepayment date, as the case may be, represented by the Certificates to be paid or prepaid, as such principal or Prepayment Price and interest become due, provided that, in the case of Certificates which are to be prepaid prior to the Certificate Payment Date, notice of such prepayment shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice:

provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Trust Agreement and the Sublease or by Order of the Foundation or the Authority) to apply such money to the payment of such principal or Prepayment Price and interest with respect to such Certificates.

SECTION 10.03. Payment of Certificates After Discharge of Trust Agreement.

Notwithstanding any provisions of this Trust Agreement, any moneys held by the Trustee in trust for the payment of the principal, Prepayment Price, or interest with respect to any Certificates and remaining unclaimed for the period which is one year less than the statutory escheat period after the principal and interest with respect to all of the Certificates have become due and payable (whether on their Certificate Payment Dates or upon call for prepayment or by acceleration as provided in this Trust Agreement), if such moneys were so held at such date, or the period which is one year less than the statutory escheat period after the date of deposit of such moneys if deposited after said date when all of the Certificates became due and payable, shall, upon Request of the Foundation, be repaid to the Foundation free from the trusts created by this Trust Agreement, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Foundation as aforesaid, the Foundation or the Trustee, as the case may be, may (at the cost of the Foundation) first mail a notice, in such form as may be deemed appropriate by the Trustee, to the Holders of the Certificates so payable and not presented and with respect to the provisions relating to the repayment to the Foundation of the moneys held for the payment thereof at the addresses shown on the registration books maintained by the Trustee. In the event of the repayment of any such moneys to the Foundation as aforesaid, the Holders of the Certificates with respect to which such moneys were deposited shall thereafter be deemed to be general unsecured creditors of the Foundation for amounts equivalent to the respective amounts deposited for the payment of such Certificates and so repaid to the Foundation (without interest thereon), subject to any applicable statute of limitations.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Liability of Authority Limited to Revenues. Notwithstanding anything contained in this Trust Agreement, the Sublease or the Lease Agreement or in the Certificates, the Authority shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Trust Agreement for any of the purposes mentioned in this Trust Agreement, whether for the payment of the principal or Prepayment Price or interest with respect to the Certificates or for any other purpose of this Trust Agreement.

SECTION 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Trust Agreement either the Authority, the Foundation or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Authority, the Foundation or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

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

SECTION 11.04. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 11.05. Destruction of Certificates. Whenever in this Trust Agreement provision is made for the cancellation by the Trustee and the delivery to the Authority of any Certificates, the Trustee shall, in lieu of such cancellation and delivery, destroy such Certificates and upon request of the Foundation shall deliver a certificate of such destruction to the Authority and the Foundation.

SECTION 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Trust Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or

unenforceable provision had never been contained herein. The Authority, the Foundation and the Trustee each hereby declares that it would have entered into this Trust Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the execution and delivery of the Certificates pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

SECTION 11.07. Notices. Any notice to or demand upon the Trustee shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class postage prepaid, in a post office letter box, addressed to the Trustee at its Principal Office of the Trustee, or at such other address as may have been filed in writing by the Trustee with the Authority and the Foundation. Any notice to or demand upon the Authority or the Foundation shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class postage prepaid, in a post office letter box, addressed, as follows:

To the Authority: California Statewide Communities Development Authority
1100 K Street, Suite 101
Sacramento, California 95814
Attention: Chairman

To the Foundation: San Diego Space and Science Foundation
1875 El Prado, Balboa Park
San Diego, California 92101
Attention: Executive Director

(or such other address as may have been filed in writing by the Authority or the Foundation, as the case may be, with the other parties hereto).

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

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Certificates shall be proved by the Certificate registration books held by the Trustee.

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

SECTION 11.09. Disqualified Certificates. In determining whether the Holders of the requisite aggregate principal amount of Certificates have concurred in any demand, request, direction, consent or waiver under this Trust Agreement, Certificates which are owned or held by or for the account of the Authority or the Foundation, or by any other obligor on the Certificates, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the Foundation or any other obligor on the Certificates, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Certificates so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Certificates and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the Foundation or any other obligor on the Certificates. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request, the Foundation shall designate to the Trustee those Certificates disqualified pursuant to this Section 11.09.

SECTION 11.10. Money Held for Particular Certificates. The money held by the Trustee for the payment of the interest, principal or Prepayment Price due on any date with respect to particular Certificates (or portions of Certificates in the case of registered Certificates prepaid in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Certificates entitled thereto, without interest thereon, subject, however, to the provisions of Section 10.03.

SECTION 11.11. Funds and Accounts. Any fund required by this Trust Agreement to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with standard trust accounting procedures, to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Certificates and the rights of every Holder thereof.

SECTION 11.12. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar

import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 11.13. Waiver of Personal Liability. No member, officer, director, trustee, agent or employee of the Authority or the Foundation shall be individually or personally liable for the payment of the principal or Prepayment Price or interest with respect to the Certificates or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, director, trustee, agent or employee from the performance of any official duty provided by law or by this Trust Agreement.

SECTION 11.14. Execution in Several Counterparts. This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.15. Governing Law. This Trust Agreement shall be construed in accordance with and governed by the Constitution and laws of the State of California.

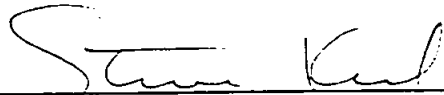
SECTION 11.16. Opinions of Bond Counsel. Whenever in this Trust Agreement, the Lease Agreement and/or the Sublease it is required that prior to the taking of any action an opinion of Bond Counsel is required to be delivered to the effect that such action will not adversely affect the exclusion of the interest payable with respect to the Certificates from gross income for federal income tax purposes, and if such opinion is not given by Orrick, Herrington & Sutcliffe LLP, such opinion shall instead affirmatively state, in a manner acceptable to the Foundation, the Authority and the Trustee, that interest payable with respect to the Certificates is excluded from gross income for federal income tax purposes and will remain so after the action in question. This Section shall apply in the same fashion with respect to the affirmative opinion of any such successor Bond Counsel.

SECTION 11.17. Continuing Disclosure. The Foundation shall undertake, pursuant to the Continuing Disclosure Agreement, to provide certain financial information and operating data and notices of material events as described in the Continuing Disclosure Agreement. The Authority shall have no liability whatsoever to the Participating Underwriter or the Holders or Beneficial Owners of the Certificates or any other person with respect to such matters. Any failure by the Foundation to comply with the provisions of the Continuing Disclosure Agreement shall not be deemed an Event of Default hereunder or a Sublease Default or a Lease Agreement Default, and the sole remedy under the Continuing Disclosure Agreement in the event of any such failure by the Foundation to comply with the provisions of the Continuing Disclosure Agreement shall be an action to compel performance.

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IN WITNESS WHEREOF, the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, and SAN DIEGO SPACE AND SCIENCE FOUNDATION have caused this Trust Agreement to be signed in their respective names by one of their respective duly authorized officers, and UNION BANK OF CALIFORNIA, N.A., in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed in its corporate name by one of its duly authorized officers, all as of the day and year first above written.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By 
Member

SAN DIEGO SPACE AND SCIENCE
FOUNDATION

By _____
Executive Director

UNION BANK OF CALIFORNIA, N.A.,
as Trustee

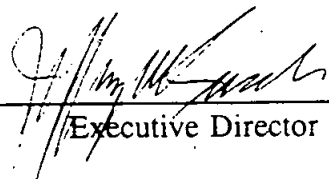
By _____
Authorized Officer

IN WITNESS WHEREOF, the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, and SAN DIEGO SPACE AND SCIENCE FOUNDATION have caused this Trust Agreement to be signed in their respective names by one of their respective duly authorized officers, and UNION BANK OF CALIFORNIA, N.A., in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed in its corporate name by one of its duty authorized officers, all as of the day and year first above written.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By _____
Member

SAN DIEGO SPACE AND SCIENCE
FOUNDATION

By  _____
Executive Director

UNION BANK OF CALIFORNIA, N.A.,
as Trustee

By _____
Authorized Officer

IN WITNESS WHEREOF, the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, and SAN DIEGO SPACE AND SCIENCE FOUNDATION have caused this Trust Agreement to be signed in their respective names by one of their respective duly authorized officers, and UNION BANK OF CALIFORNIA, N.A., in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed in its corporate name by one of its duly authorized officers, all as of the day and year first above written.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By _____
Member

SAN DIEGO SPACE AND SCIENCE
FOUNDATION

By _____
Executive Director

UNION BANK OF CALIFORNIA, N.A.,
as Trustee

By James C. [Signature]
Authorized Officer

EXHIBIT A

[FORM OF CERTIFICATE OF PARTICIPATION]

THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (THE "AUTHORITY") IS NOT OBLIGATED TO PAY ANY AMOUNT WITH RESPECT TO THIS CERTIFICATE EXCEPT FROM THE REVENUES DESCRIBED HEREIN, WHICH ARE COMPRISED CHIEFLY OF CERTAIN PAYMENTS TO BE MADE BY THE FOUNDATION DESCRIBED HEREIN. THE AUTHORITY HAS NOT EVALUATED OR APPROVED THE CREDITWORTHINESS OF THE FOUNDATION, INCLUDING BUT NOT LIMITED TO ITS ABILITY TO MAKE THE PAYMENTS DESCRIBED HEREIN, AND THE AUTHORITY MAKES NO REPRESENTATIONS OR RECOMMENDATIONS WITH RESPECT THERETO.

R ____

S _____

CERTIFICATE OF PARTICIPATION

Evidencing a Proportionate Interest of the Holder Hereof
in Sublease Payments to be Paid
by the

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

to the

SAN DIEGO SPACE AND SCIENCE FOUNDATION

INTEREST
RATE

CERTIFICATE
PAYMENT DATE
December 1, ____

DATED DATE
December 1, 1996

CUSIP
NO.

REGISTERED HOLDER:

PRINCIPAL AMOUNT:

THIS IS TO CERTIFY that the Registered Holder identified above (the "Holder") of this Certificate of Participation (this "Certificate"), is the owner of an undivided proportionate interest in the right to receive certain Sublease Payments under and defined in that certain sublease, dated as of December 1, 1996, by and between the Authority, a public entity of the State of California, and San Diego and Science Foundation (the "Foundation"), a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Sublease") which Sublease Payments have been assigned without recourse to Union Bank of California, N.A., as trustee (the "Trustee"), currently having its Principal Office in Los

Angeles, California, in accordance with that certain trust agreement dated as of December 1, 1996 (the "Trust Agreement"), by and among the Authority, the Foundation and the Trustee.

THE OBLIGATION OF THE AUTHORITY TO MAKE SUBLEASE PAYMENTS UNDER THE SUBLEASE IS A LIMITED OBLIGATION OF THE AUTHORITY WHICH IS PAYABLE SOLELY FROM THE REVENUES AND SECURED BY A PLEDGE AND ASSIGNMENT OF CERTAIN RIGHTS OF THE AUTHORITY UNDER THE LEASE AGREEMENT, DATED AS OF DECEMBER 1, 1996 (THE "LEASE AGREEMENT"), BY AND BETWEEN THE AUTHORITY AND THE FOUNDATION.

The Holder of this Certificate is entitled to receive, subject to the terms of the Trust Agreement, the Sublease and the Lease Agreement, on the certificate payment date stated above (the "Certificate Payment Date"), the principal amount specified above representing a portion of the Sublease Payments designated as principal coming due on the Certificate Payment Date, and to receive as interest thereon, payable on each June 1 and December 1 (each, an "Interest Payment Date") from the Interest Payment Date next preceding the date of execution hereof (unless such date of execution is as of a day during the period from the Record Date (as defined below) next preceding any Interest Payment Date to such Interest Payment Date, inclusive, in which event this Certificate shall represent interest from such Interest Payment Date, or unless such date of execution is prior to May 15, 1997, in which event it shall represent interest from December 1, 1996), and continuing to the Certificate Payment Date or the date of prior prepayment hereof, whichever is earlier, the Holder's proportionate share of the Sublease Payments designated as interest coming due on each Interest Payment Date in each year. (Such interest is calculated on the basis of a 360-day year comprised of twelve 30-day months.) Said proportionate share is the result of the multiplication of the aforesaid portion of the Installment Payment designated as principal coming due on the Certificate Payment Date by the rate per annum stated above. Said principal amount is payable in lawful money of the United States of America upon surrender at the Principal Office of the Trustee. Said interest amounts are payable by check mailed by first class mail to the Holder hereof as of the close of business on the fifteenth day of the month preceding the respective interest payment date (a "Record Date") at its address as it appears on the registration books of the Trustee, or by wire transfer within the United States to any Holder of at least \$1,000,000 in principal amount of Certificates if such Holder has submitted a written request for such wire transfer to the Trustee prior to the applicable Record Date, all as provided in the Trust Agreement.

THE AUTHORITY SHALL NOT BE OBLIGATED TO PAY THE SUBLEASE PAYMENTS OR TO OTHERWISE PAY THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST WITH RESPECT TO THE CERTIFICATES, EXCEPT FROM REVENUES (AS DEFINED IN THE TRUST AGREEMENT) RECEIVED BY THE AUTHORITY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY IS PLEDGED TO THE PAYMENT OF THE SUBLEASE PAYMENTS OR OTHERWISE TO PAY THE PRINCIPAL, PREMIUM OR INTEREST WITH RESPECT TO THE CERTIFICATES.

This Certificate has been executed by the Trustee pursuant to the terms of the Trust Agreement. Copies of the Trust Agreement are on file at the Principal Office of the

Trustee, and reference is made to the Trust Agreement and any and all amendments thereof for a description of the pledges and covenants securing the Certificates, the nature, extent and manner of enforcement of such pledges and covenants, the rights and remedies of the Holders of the Certificates with respect thereto and the other terms and conditions upon which the Certificates are delivered thereunder, as to all of which the Holder hereof assents and agrees by acceptance of this Certificate. The Foundation has assigned, without recourse, all of its rights to the Sublease Payments under the Sublease to the Trustee pursuant to the Trust Agreement, and the Authority has assigned, without recourse, all of its rights to the Lease Payments under the Lease Agreement to the Trustee pursuant to the Trust Agreement. Copies of the Lease Agreement and the Sublease also are on file at the Principal Office of the Trustee. Unless otherwise defined herein all capitalized terms used herein shall have the meanings assigned to said terms in the Trust Agreement.

The Certificates with a Certificate Payment Date of December 1, 2016, are not subject to optional prepayment. The Certificates with a Certificate Payment Date of December 1, 2026, are subject to prepayment prior to their stated Certificate Payment Date on December 1, 2006, through and including November 30, 2012, as a whole on any date or in part on any Interest Payment Date, at the option of the Authority (which shall be exercised as directed by the Foundation), from optional prepayments of Sublease Payments by the Authority or from any other source of available funds, at the following prepayment prices (expressed as a percentage of the principal amount represented by Certificates called for prepayment), plus accrued interest to the date fixed for prepayment:

<u>Prepayment Period</u> <u>(Dates Inclusive)</u>	<u>Prepayment</u> <u>Price</u>
December 1, 2006, through November 30, 2007	105%
December 1, 2007, through November 30, 2008	104
December 1, 2008, through November 30, 2009	103
December 1, 2009, through November 30, 2010	102
December 1, 2010, through November 30, 2011	101
December 1, 2011, through November 30, 2012	100
(Not subject to prepayment after November 30, 2012)	

The Certificates are subject to prepayment prior to their stated Certificate Payment Dates, as a whole on any date, or in part on any Interest Payment Date, from insurance or condemnation proceeds with respect to the Project (as defined in the Trust Agreement) deposited in the Optional Prepayment Account at a Prepayment Price equal to the principal amount represented thereby plus accrued interest represented thereby to the date fixed for prepayment, without premium.

The Certificates are subject to mandatory prepayment in part by lot prior to their stated Certificate Payment Dates, at a Prepayment Price equal to the principal amount represented thereby plus accrued interest represented thereby to the date fixed for prepayment, without premium, from Mandatory Sinking Account Payments made in accordance with the Trust Agreement.

As provided in the Trust Agreement, notice of prepayment shall be given by mail, first class postage prepaid, not less than 30 or more than 60 days prior to the prepayment date, to the Holder of each Certificate to be prepaid in whole or in part at the address shown on the registration books held by the Trustee. If this Certificate is called for prepayment and payment is duly provided herefor as specified in the Trust Agreement, interest shall cease to accrue hereon from and after the date fixed for prepayment.

The Certificates shall be executed and delivered in the form of fully registered Certificates in denominations of \$100,000 and any integral multiple of \$5,000 in excess of \$100,000. Subject to the limitations and conditions and upon payment of the charges, if any, provided in the Trust Agreement, Certificates may be exchanged for a like aggregate principal amount of fully registered Certificates of other authorized denominations having the same Certificate Payment Date.

This Certificate is transferable by the Holder hereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender and cancellation of this Certificate. Upon such transfer a new Certificate or Certificates, having the same Certificate Payment Date and of authorized denomination or denominations, and for the same aggregate principal amount, will be issued to the transferee in exchange herefor. The Trustee may treat the Holder hereof as the absolute owner hereof for all purposes, whether or not this Certificate shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary.

The Trustee shall not be required to transfer or exchange any Certificate after such Certificate has been selected for prepayment or during the fifteen (15) days next preceding the date of selection of Certificates for prepayment.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement, the Sublease and the Lease Agreement may be amended or supplemented by the parties thereto, but no such amendment or supplement shall (1) extend the Certificate Payment Date of this Certificate, or reduce the amount of principal represented hereby, or reduce the rate of interest represented hereby, or extend the time for payment of said interest, or reduce any premium payable on the prepayment hereof, without the written consent of the Holder hereof, or (2) reduce the percentage of Holders of Certificates whose consent is required for the execution of any amendment of or supplement to the Trust Agreement, or permit the creation of any lien on the Revenues and other assets pledged under the Trust Agreement prior to or on a parity with the lien created by the Trust Agreement (except as expressly provided in the Trust Agreement), or deprive the Holders of the Certificates of the lien created by the Trust Agreement on the Revenues and other such assets (except as expressly provided in the Trust Agreement), without the consent of the Holders of all Certificates then outstanding, all as more fully set forth in the Trust Agreement.

Upon the terms and conditions specified in the Trust Agreement, the provisions of the Trust Agreement, the Sublease and the Lease Agreement may be amended without notice to, or the consent of, any Holders of the Certificates.

The Trustee has no obligation or liability to the Holders of the Certificates to make payments of principal, premium, if any, or interest with respect to the Certificates, except from amounts on deposit for such purposes with the Trustee. The Trustee's sole obligations are to administer for the benefit of the Holders of the Certificates the various funds and accounts established under the Trust Agreement and to perform the other duties expressly imposed upon it under the Trust Agreement. The Trustee does not warrant the accuracy of any recitals herein.

The Certificates evidence a proportionate interest in the Sublease Payments in an amount equal to the aggregate principal amount represented by Certificates originally executed and delivered by the Trustee pursuant to the Trust Agreement and enjoy the benefits of the security interest in the moneys held in the funds and accounts established pursuant to the Trust Agreement (except money on deposit in the Rebate Fund and certain amounts paid by the Foundation pursuant to the Lease Agreement for expenses or as indemnification), subject to the provisions of the Trust Agreement permitting the application thereof for or to the purposes and on the terms and conditions set forth therein.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized signatory of the Trustee.

Date of Execution:

UNION BANK OF CALIFORNIA, N.A.,
as Trustee

By _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Note: Signature(s) must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or other guarantee program acceptable to the Trustee

Social Security Number,
Taxpayer Identification
Number or Other Identifying
Number of Assignee:

EXHIBIT B

FORM OF REQUISITION OF THE FOUNDATION

Requisition of the Foundation
(Section 3.03 of the Trust Agreement)

CERTIFICATES OF PARTICIPATION, SERIES 1996
(SAN DIEGO SPACE AND SCIENCE FOUNDATION)

Requisition No.: R-__ (to be sequentially numbered)

Amount of
This Draw

Aggregate Amount
of Draws Including
This Draw

Name and address of party to whom payment is to be made:

Purpose for which the obligation was incurred:

Date: _____, 199_

SAN DIEGO SPACE AND SCIENCE
FOUNDATION

By _____

[Title]

EXHIBIT C

FORM OF COMPLETION CERTIFICATE

Completion Certificate of the Foundation

(Section 3.03 of the Trust Agreement)

CERTIFICATES OF PARTICIPATION, SERIES 1996
(SAN DIEGO SPACE AND SCIENCE FOUNDATION)

Pursuant to Section 3.03 of the Trust Agreement, dated as of December 1, 1996 (the "Trust Agreement"), by and among the California Statewide Communities Development Authority, San Diego Space and Science Foundation and Union Bank of California, N.A., as trustee (the "Trustee"), the undersigned hereby certifies on behalf of San Diego Space and Science Foundation, that the completion date of the Project is [INSERT DATE OF THIS CERTIFICATE]. Accordingly, the Trustee is hereby directed to transfer any funds remaining in the Construction Fund [to the Optional Prepayment Account within the Prepayment Fund for application in accordance with the provisions of the Trust Agreement] [to _____, in accordance with the attached opinion of Bond Counsel]:

Dated: _____, 199__

SAN DIEGO SPACE AND SCIENCE
FOUNDATION

By _____
[Title]

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

and

SAN DIEGO SPACE AND SCIENCE FOUNDATION

LEASE AGREEMENT

Dated as of December 1, 1996

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LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of December 1, 1996 (this "Lease Agreement"), between the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a public entity of the State of California (the "Authority"), and SAN DIEGO SPACE AND SCIENCE FOUNDATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Foundation"),

W I T N E S S E T H:

WHEREAS, the Foundation leases from the City of San Diego the real property constituting the Reuben H. Fleet Space Theater and Science Center (the "Facilities"), located within the territorial limits of the City of San Diego, one of the program participants of the Authority (the "Program Participant") pursuant to a lease agreement (the "City Lease") between the City of San Diego and the Foundation;

WHEREAS, the Foundation has requested the assistance of the Authority for the purpose of financing the acquisition, construction and equipping of certain additions and improvements to the Facilities (the "Project");

WHEREAS, as consideration to the Authority for undertaking the transactions provided for herein, the Foundation has determined to sublease the Facilities to the Authority upon the terms and conditions described in the Sublease of even date herewith by and between the Foundation and the Authority (the "Sublease") for subsequent lease to the Foundation upon the terms and conditions described herein;

WHEREAS, the Authority has determined to so assist the Foundation;

WHEREAS, a substantial portion of the persons employed by the Foundation at the Project are residents of the Program Participant;

WHEREAS, the sublease of the Facilities to the Authority and the subsequent lease to the Foundation by the Authority will provide a significant and growing opportunity for the creation and retention of employment to the California economy and the enhancement of the quality of life to residents of the Program Participant, and the financing of the Project promotes opportunities for the creation or retention of employment within the jurisdiction of the Program Participant and is within the powers conferred upon the Authority by its Joint Exercise of Powers Agreement (the "Joint Powers Agreement");

WHEREAS, the presence of the Project has been shown to be a significant factor in the economic development of the Program Participant, promoting residential, commercial and industrial development and thereby stimulating economic activity and increasing the tax base, and the financing of the Project promotes residential, commercial and industrial development

within the jurisdiction of the Program Participant and is within the powers conferred upon the Authority by the Joint Powers Agreement;

WHEREAS, the financing of the Project is a significant factor in maintaining the operations of the Foundation within the jurisdiction of the Program Participant;

WHEREAS, the payments to be paid by the Authority pursuant to the Sublease will be payable solely from payments received from the Foundation pursuant to this Lease Agreement;

WHEREAS, the Authority, the Foundation and Union Bank of California, N.A., as trustee (the "Trustee") propose to enter into a Trust Agreement, dated as of the date hereof, pursuant to which the Trustee will agree to execute and deliver Certificates of Participation, each evidencing a proportionate interest in the Sublease Payments to be made by the Authority pursuant to the Sublease with a principal component in an aggregate amount equal to \$6,500,000 aggregate principal amount of Certificates of Participation so executed and delivered; and

WHEREAS, the Authority and the Foundation have duly authorized the execution and delivery of this Lease Agreement;

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

ARTICLE I

DEFINITIONS: CONTENT OF CERTIFICATES AND OPINIONS

Section 1.1. Definitions. Unless the context otherwise requires, all capitalized terms used herein shall have the meanings ascribed to such terms in the Trust Agreement dated as of December 1, 1996, by and among the Authority, the Foundation and the Trustee, as originally executed or as it may from time to time be supplemented, modified or amended as provided therein.

Section 1.2. Content of Statements and Opinions. Every statement or opinion provided for in this Lease Agreement with respect to compliance with any provision hereof shall include (1) a statement that the individual making or giving such statement or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion is based; (3) a statement that, in the opinion of such individual, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (4) a statement as to whether, in the opinion of such individual, such provision has been complied with.

Any such statement or opinion made or given by an officer of the Foundation may be based, insofar as it relates to legal or accounting matters, upon a statement or opinion of or representation by counsel or an Accountant, unless such officer knows, or in the exercise of reasonable care should have known, that the statement, opinion or representation with respect to the matters upon which such statement or opinion may be based, as aforesaid, is erroneous. Any such statement or opinion made or given by counsel or an Accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Foundation) upon a statement or opinion of or representation by an officer of the Foundation, unless such counsel or Accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such individual's statement or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Foundation, or the same counsel or Accountant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Lease Agreement, but different officers, counsel or Accountants may certify to different matters, respectively.

ARTICLE II

REPRESENTATIONS AND WARRANTIES; FINDINGS OF THE AUTHORITY

Section 2.1. Representations and Warranties of the Foundation. The Foundation makes the following representations and warranties to the Authority as of the date of the execution of this Lease Agreement and as of the date of delivery of the Certificates to the initial purchaser(s) thereof (such representations and warranties to remain operative and in full force and effect regardless of delivery of the Certificates or any investigations by or on behalf of the Authority or the results thereof):

(a) The Foundation is a nonprofit corporation duly incorporated and in good standing under the laws of the State of California, has full legal right, power and authority to enter into the City Lease, the Sublease, this Lease Agreement and the Trust Agreement and to carry out and consummate all transactions contemplated by the City Lease, the Sublease, this Lease Agreement and the Trust Agreement, and by proper corporate action has duly authorized the execution and delivery of the City Lease, the Sublease, this Lease Agreement and the Trust Agreement.

(b) The officers of the Foundation executing the Sublease, this Lease Agreement and the Trust Agreement are duly and properly in office and fully authorized to execute the same.

(c) This Lease Agreement, the Sublease, the City Lease and the Trust Agreement have been duly authorized, executed and delivered by the Foundation, and (i) when the Sublease and this Lease Agreement are assigned to the Trustee pursuant to the Trust Agreement, the Sublease and this Lease Agreement will constitute, and the Trust Agreement constitutes, the legal, valid and binding agreements of the Foundation

with the Trustee, enforceable against the Foundation in accordance with their terms for the benefit of the Holders of the Certificates, except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought; and (ii) any rights of the Authority and obligations of the Foundation under the Sublease and this Lease Agreement not so assigned to the Trustee constitute the legal, valid, and binding agreements of the Foundation, enforceable against the Foundation in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

(d) The execution and delivery of the Sublease, this Lease Agreement and the Trust Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the articles of incorporation of the Foundation, its bylaws or any indenture, mortgage, deed of trust, agreement, lease, contract or other agreement or instrument to which the Foundation is a party or by which it or its properties are otherwise subject or bound, or, to the knowledge of the Foundation, after reasonable inquiry and investigation, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Foundation, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Sublease, this Lease Agreement or the Trust Agreement or the financial condition, assets, properties, or operations of the Foundation.

(e) No consent or approval of any trustee or holder of any indebtedness of the Foundation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of the Sublease, this Lease Agreement or the Trust Agreement or the consummation of any transaction herein contemplated, or the fulfillment of or compliance with the terms and conditions hereof except as have been obtained or made and as are in full force and effect.

(f) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Foundation, after reasonable inquiry and investigation, threatened against or affecting the Foundation or the assets, properties or operations of the Foundation which, if determined adversely to the Foundation or its interests, could have a material adverse effect upon the consummation of the transactions contemplated by, or the fulfillment of or compliance with the terms and conditions of, or the validity of, the City Lease, the Sublease, this Lease Agreement or the Trust Agreement or upon the financial condition, assets, properties or operations of the Foundation, and the Foundation is not in material default (and no event has occurred and is continuing which,

with the giving of notice or the passage of time or both, could constitute a material default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the City Lease, the Sublease, this Lease Agreement or the Trust Agreement or the financial condition, assets, properties or operations of the Foundation or its properties. All tax returns (federal, state and local) required to be filed by or on behalf of the Foundation have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Foundation in good faith, have been paid or adequate reserves have been made for the payment thereof, which reserves, if any, are reflected in the financial statements described in subsection (g) of this Section.

(g) The audited balance sheet of the Foundation at June 30, 1996, and the related statements of revenues and expenses, changes in fund balances and changes in financial position for the year ended on such date (copies of which, examined by Deloitte & Touche, independent public accountants, have been furnished to the Authority), fairly state the financial position of the Foundation at June 30, 1996, and the results of operations of the Foundation for the year ended on such date, and since June 30, 1996, there has been no material adverse change in the condition (financial or otherwise) of the Foundation.

(h) No information, exhibit or report furnished to the Authority by the Foundation in connection with the negotiation of this Lease Agreement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(i) The Foundation is an organization described in Section 501(c)(3) of the Code and is exempt from federal income tax under Section 501(a) of the Code, except for unrelated business income, if any, under Section 511 of the Code. The Foundation is not a private foundation as defined in Section 509(a) of the Code.

(j) The Foundation does not restrict admissions of persons to its facilities, or discriminate in its employment practices against any employee or applicant for employment, because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age or physical handicap.

(k) The Foundation and the Facilities comply in all material respects with all applicable federal, state and local environmental, health and safety statutes and regulations, including, without limitation, regulations governing air pollution, soil and water pollution, the use, generation, storage, treatment, removal, handling or disposal of hazardous or toxic substances, other materials or wastes, and the emission of electromagnetic or nuclear radiation.

(l) Neither the Foundation nor the Facilities are the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by a statute or regulation referred to in (k) above or to respond to a release of any toxic or hazardous emission, waste or substance into the environment.

(m) The Foundation does not have any material contingent liability in connection with any release of any toxic or hazardous waste or substance into the environment.

Section 2.2. Findings of the Authority. The Authority hereby finds and determines that (i) the financing of the Project provides a significant and growing opportunity for the creation and retention of employment to the California economy and the enhancement of the quality of life to residents of the Program Participant, and the financing of the Project promotes opportunities for the creation or retention of employment within the jurisdiction of the Program Participant and is within the powers conferred upon the Authority by its Joint Powers Agreement; (ii) the presence of the Project has been shown to be a significant factor in the economic development of the Program Participant, promoting residential, commercial and industrial development and thereby stimulating economic activity and increasing the tax base, and the financing of the Project promotes residential, commercial and industrial development within the jurisdiction of the Program Participant and is within the powers conferred upon the Authority by its Joint Powers Agreement; and (iii) the financing of the Project is a significant factor in maintaining the operations of the Foundation within the jurisdiction of the Program Participant.

ARTICLE III

LEASE OF THE FACILITIES AND THE PROJECT

Section 3.1. Agreement to Lease the Facilities and the Project. The Authority hereby leases the Facilities and the Project (as described in Exhibit A hereto) to the Foundation pursuant to the provisions of this Lease Agreement. The term of this Lease Agreement shall end on December 1, 2026, unless it shall be terminated sooner as provided in this Lease Agreement. The parties hereto agree that a valid leasehold interest to the Facilities and the Project shall be deemed conveyed to and vested in the Foundation, but agree that no document evidencing such conveyance shall be recorded because such conveyance is incident to a financing and results (when taken together with the conveyance made in the Sublease) in the Foundation having a leasehold interest in the Facilities and the Project both prior to and following such conveyances.

Section 3.2. Payments Under this Lease Agreement. Subject to Section 4.4 hereof, for so long as the Facilities and the Project are leased to the Authority under the Sublease and the Facilities and the Project are leased to the Foundation pursuant to the terms of this Lease Agreement, the Foundation agrees to pay to the Authority as rent the Lease Payments as described in Section 4.1 of this Lease Agreement, for the use of the Facilities and the Project.

Section 3.3. Use and Control of Facilities and Project. The Authority covenants and agrees that throughout the term of this Lease Agreement, so long as the Foundation shall fully and punctually pay all of the Lease Payments and other amounts provided to be paid hereunder by the Foundation, and shall fully and punctually perform all of its other covenants and agreements hereunder (and subject in all respects to the terms of the City Lease):

(a) the Foundation shall have the exclusive use and possession of the Facilities and the Project, and shall peaceably and quietly have, hold and enjoy the Facilities and the Project without hindrance by the Authority;

(b) the Foundation shall have the exclusive right and responsibility for the management, direction, control and operation of the Facilities and the Project;

(c) the Foundation shall have the right to make all policy decisions with regard to the management and operation of the Facilities and the Project; and

(d) the Foundation and its board of trustees shall not be subject to the control, direction or approval of the Authority and may take any and all actions deemed necessary or desirable in the operation of the Facilities and the Project.

Section 3.4. Performance of Obligations under City Lease and Sublease. The Foundation hereby covenants and agrees to perform all obligations of the Authority under the Sublease and the City Lease at the times and in the manner required by such documents. The Foundation hereby acknowledges and agrees that its agreement to perform such obligations is material consideration for the Authority's execution and delivery of the Sublease. The Foundation covenants to comply with all material covenants of the Foundation set forth in the City Lease, and if a conflict exists between the City Lease and the Sublease, the Lease Agreement or the Trust Agreement, the terms of the City Lease shall prevail.

ARTICLE IV

PAYMENT PROVISIONS

Section 4.1. Lease Payments. (A) As rent hereunder the Foundation shall make payments, to be referred to herein as "Lease Payments," which the Foundation shall pay to the Trustee, as assignee of the Authority, for deposit in the Revenue Fund held by the Trustee and which, in the aggregate, shall be in an amount sufficient for the payment in full of all obligations to the Holders of the Certificates from time to time Outstanding under the Trust Agreement and to replenish (in monthly installments) the Reserve Account established under the Trust Agreement in the event the balance therein shall be less than the Reserve Account Requirement. The Lease Payments shall be due and payable on or prior to the fifteenth (15th) day of each month commencing January 15, 1997, in an amount necessary for the Trustee to make the transfers and deposits required pursuant to Section 5.02 of the Trust Agreement with respect to the Certificates. Notwithstanding the foregoing, the Foundation agrees to make payments, or cause payments to be made, at the times and in the amounts required to be paid as principal or

Prepayment Price of or interest components of the Certificates from time to time Outstanding under the Trust Agreement, and other amounts required to be paid under the Trust Agreement, as the same shall become due whether at the respective Certificate Payment Dates, upon prepayment, by declaration of acceleration or otherwise. Each Lease Payment hereunder shall be paid in lawful money of the United States of America to the Trustee at its Principal Office and held, invested, disbursed and applied as provided in the Trust Agreement. The Foundation shall make each such Lease Payment directly to the Trustee in satisfaction of the Authority's Sublease Payment obligations under the Sublease. In the event the Foundation should fail to make any of the payments required by this Section, the installment so in default shall continue as an obligation of the Foundation until the amount in default shall have been fully paid with interest thereon at a rate of interest equal to the rate of interest on the principal components of such unpaid Lease Payments.

(B) The Foundation shall pay to the Authority, at the time this Lease Agreement is executed and delivered, an amount sufficient to pay any taxes which shall be imposed by the State or the City or the County of San Diego on the lease, use, possession or ownership of the Project pursuant to this Lease Agreement or the Sublease. If the State or the City or the County of San Diego later requires the payment of additional taxes on such lease, use, possession or ownership, the Foundation will pay such amounts when and as due and payable.

Section 4.2, Supplemental Payments. In addition to the Lease Payments provided for in Section 4.1, the Foundation shall also pay to the Authority or the Trustee, as the case may be, "Supplemental Payments," as follows:

(a) All taxes and assessments of any type or character charged to the Authority or the Trustee affecting the amount available to the Authority or the Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Authority or the Trustee and taxes based upon or measured by the net income of the Authority or the Trustee; provided, however, that the Foundation shall have the right to protest and contest any such taxes or assessments and to require the Authority or the Trustee, at the Foundation's expense, to protest and contest any such taxes or assessments levied upon them and that the Foundation shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Holders of the Certificates, the Authority or the Trustee;

(b) The annual (or other regular) fees and expenses of the Trustee, and all fees, charges and expenses of the Trustee for any extraordinary services rendered by the Trustee under this Lease Agreement, the Sublease or the Trust Agreement (in each case as set forth in a letter agreement regarding the same between the Trustee and the Foundation) as and when the same become due and payable;

(c) The reasonable fees and expenses of such accountants, management consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports or opinions or to provide such other services required under this Lease Agreement, the Sublease or the Trust Agreement;

(d) The annual fee and other reasonable fees and expenses of the Authority in connection with this Lease Agreement, the Sublease, the Certificates or the Trust Agreement, including, without limitation, any and all expenses incurred in connection with the authorization, sale and delivery of the Certificates or in connection with any litigation which may at any time be instituted involving this Lease Agreement, the Sublease, the Certificates or the Trust Agreement or any of the other documents contemplated hereby or thereby.

Such Supplemental Payments shall be billed to the Foundation by the Trustee or the Authority from time to time, together with a statement of the Authority or the Trustee, as the case may be, certifying that the amount billed has been incurred or paid by the Authority or the Trustee for one or more of the above items. After such a demand, amounts so billed shall be paid by the Foundation within thirty (30) days after receipt of the bill by the Foundation. Notwithstanding the foregoing, the Authority shall not be required to submit a bill to the Foundation for payment of the Authority's annual fee, which shall be due and payable annually in advance, on each February 1, commencing February 1, 1997, and which shall equal 0.06% of the aggregate principal amount of Certificates Outstanding under the Trust Agreement as of each January 1.

The provisions of this Section 4.2 shall survive the termination of this Lease Agreement.

Section 4.3. Obligations of the Foundation Unconditional; Net Contract. Subject to Section 4.4 hereof, the obligations of the Foundation to make the Lease Payments and Supplemental Payments required hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any Certificates remain Outstanding or any Supplemental Payments remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Facilities or the Project, commercial frustration of purpose, any change in the laws of the United States of America or of the State or any political subdivision thereof or in the rules or regulations of any governmental authority, or 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 Lease Agreement, the Sublease or the Trust Agreement. This Lease Agreement shall be deemed and construed to be a "net contract," and the Foundation shall pay absolutely net the Lease Payments, Supplemental Payments and all other payments required hereunder, regardless

of any rights of set-off, recoupment, abatement or counterclaim that the Foundation might otherwise have against the Authority or any other party or parties.

Section 4.4. Prepayment. The Foundation shall have the right at any time or from time to time to prepay all or any part of the Lease Payments, and the Authority shall accept such prepayments when the same are tendered by the Foundation. All prepayments made by the Foundation pursuant to this Section 4.4 shall be deposited upon receipt in the Optional Prepayment Account within the Prepayment Fund under the Trust Agreement and, at the request of the Foundation, credited against Lease Payments due from the Foundation pursuant to Section 4.1 of this Lease Agreement in order of their due date or used for the prepayment or purchase of Outstanding Certificates in the manner and subject to the terms and conditions set forth in Section 4.01 of the Trust Agreement. The Foundation also shall have the right to surrender Certificates acquired by it in any manner whatsoever to the Trustee for cancellation, and such Certificates, upon such surrender and cancellation, shall be deemed to be paid and retired and shall be applied as set forth in Section 4.04 of the Trust Agreement. Notwithstanding any such prepayment or surrender of Certificates, as long as any Certificates remain Outstanding or any Supplemental Payments remain unpaid, the Foundation shall not be relieved of its obligations hereunder.

To the extent the Foundation prepays Lease Payments and thereby causes Sublease Payments to be prepaid, the Foundation shall revise the Sublease Payment schedule set forth in Exhibit A of the Sublease to reflect said prepayments, and shall provide the Trustee and the Authority with copies of said revised Exhibit A.

Section 4.5. Gross Revenues; Obligation of Foundation.

(A) The Foundation agrees that, so long as any of the Certificates remain Outstanding or any Supplemental Payments remain unpaid, all of the Gross Revenues of the Foundation shall be deposited as soon as practicable upon receipt in a fund designated as the "Gross Revenue Fund" which the Foundation shall establish and maintain hereunder subject to the provisions of subsection (B) of this Section, in an account or accounts at such banking or financial institution or institutions as the Foundation shall from time to time designate in writing to the Trustee for such purpose (herein called the "Depository Bank(s)"). Subject only to the provisions of this Lease Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Foundation hereby pledges and, to the extent permitted by law, grants a security interest to the Trustee in the Gross Revenue Fund to secure the payment of Lease Payments, Supplemental Payments and any payments required with respect to Parity Debt and the performance by the Foundation of its other obligations hereunder.

(B) Amounts in the Gross Revenue Fund may be used and withdrawn by the Foundation at any time for any lawful purpose, except as otherwise provided herein. In the event that on the twentieth (20th) day of any month, the Trustee does not have amounts sufficient to make the transfers and deposits required by Section 5.02 of the Trust Agreement, the Trustee shall notify the Foundation and the Depository Bank(s) to the extent practicable, by telephone and by telecopy, of such delinquency, and unless such payment is made on the same day the Foundation receives such notice, the Foundation shall cause the Depository Bank(s) to,

and the Depository Bank(s) shall, transfer the Gross Revenue Fund to the Trustee to hold in trust for the benefit of the Holders of the Certificates and the holders of Parity Debt. The Gross Revenue Fund shall remain in the name and to the credit of the Trustee until the first day on which (1) the amounts on deposit in said fund are sufficient to pay in full (or have been used to pay in full) all Lease Payments due and past due, any deficiencies in the Reserve Account and all debt service payments due and past due with respect to Parity Debt, and (2) any Lease Agreement Defaults and events of default with respect to Parity Debt known to the Trustee shall have been made good or cured or provision shall have been made therefor, whereupon the Gross Revenue Fund (except for the Gross Revenues required to make such payments or cure such defaults) shall be transferred by the Depository Bank(s) automatically back to the name and credit of the Foundation. During any period that the Gross Revenue Fund is held in the name and to the credit of the Trustee, all Gross Revenues shall continue to be deposited in the Gross Revenue Fund but the Foundation shall not be entitled to use or withdraw any of the Gross Revenues unless used and withdrawn for the payment of current or past due operating expenses of the Foundation (as set forth in a Requisition of the Foundation delivered to the Trustee in substantially the form of Exhibit B to the Trust Agreement). Moreover, during any period that the Gross Revenue Fund is held in the name and to the credit of the Trustee, the Trustee shall use and withdraw from time to time amounts in said fund to make Lease Payments, Supplemental Payments and payments with respect to Parity Debt as such payments become due, and if such amounts shall not be sufficient to pay in full all such payments due on any date, then to the payment of Lease Payments and debt service with respect to Parity Debt ratably according to the amounts due respectively for such Lease Payments and such debt service on Parity Debt, without any discrimination or preference. The Foundation agrees to execute and deliver all instruments as may be required to implement this Section. The Foundation further agrees that a failure to comply with the terms of this Section shall cause irreparable harm to the Holders from time to time of the Certificates and the holders of Parity Debt and shall entitle the Trustee, with or without notice, to take immediate action to compel the specific performance of the obligations of the Foundation as provided in this Section.

ARTICLE V

PARTICULAR COVENANTS

Section 5.1. Accounting Records, Financial Statements and Budget.

(A) At all times, the Foundation shall keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions of or in relation to the business, properties and operations of the Foundation. Such books of record and account shall be available for inspection by the Authority or the Trustee during normal business hours and under reasonable circumstances, including prior notice.

(B) The Foundation further covenants and agrees to furnish (i) the Authority (if requested by the Authority) and the Trustee, within one hundred twenty (120) days after the end of each Fiscal Year, each with a copy of the Foundation's complete financial statements

(including a balance sheet, a statement of revenues and expenses, a statement of changes in fund balances, a statement of changes in financial position and such other financial reports and schedules as may have been delivered to the Foundation in connection with such financial statements), together with (1) the report and opinion of an Accountant stating that the financial statements have been prepared in accordance with generally accepted accounting principles and that such Accountant's examination of the Foundation's records was performed in accordance with generally accepted auditing standards and included such tests as such Accountant deemed appropriate, and (2) a statement of an Authorized Representative of the Foundation stating that no event which constitutes a Lease Agreement Default has occurred and is continuing as of the end of such Fiscal Year, or specifying the nature of such event and the actions taken and proposed to be taken by the Foundation to cure such default, and (ii) the Authority, upon written request by the Authority, delivered to the Foundation, with a copy of the Foundation's quarterly unaudited financial statements within forty-five (45) days of the close of each quarter.

Section 5.2. Tax Covenants. (A) The Foundation shall not take any action, or fail to take any action, if such action or failure to take action would adversely affect the exclusion from gross income of the interest payable with respect to Certificates under Section 103 of the Code. The Foundation shall not use or permit the use of any of the funds provided from the sale of the Certificates by the Trustee or any other funds of the Foundation, directly or indirectly, or direct the Trustee to invest any funds held by it under the Trust Agreement or this Lease Agreement, in such manner as would, or enter into, or allow any "related person" (as defined in Section 144(a)(2) of the Code) to enter into, any arrangement, formal or informal, for the purchase of the Certificates that would, or take or omit to take any other action that would, cause any Certificate to be an "arbitrage bond" within the meaning of Section 148 of the Code. The Foundation acknowledges having read Sections 5.07 and 6.05 of the Trust Agreement and agrees to perform all duties imposed upon it by such Sections and by the Tax Certificate and Agreement. Insofar as said Sections and the Tax Certificate and Agreement impose duties and responsibilities on the Foundation, they are specifically incorporated herein by reference.

(B) The Foundation shall maintain its status as an organization described in Section 501(c)(3) of the Code and its exemption from federal income tax under Section 501(a) of the Code. The Foundation shall not use or permit the use of the Project by any Person in such manner or to such extent as would result in loss of the exclusion from gross income of the interest component of the Sublease Payments under Section 103 of the Code.

(C) No more than two percent (2%) of the proceeds of the Certificates will be used to pay Costs of Issuance. The Foundation shall take all action necessary to ensure the foregoing two percent (2%) limitation is not exceeded.

Section 5.3. Compliance with United States and California Constitutions. The Foundation covenants and agrees that it will not restrict use of the Project on racial or religious grounds and that (i) no facility, place or building financed with any portion of the proceeds of the Certificates has been used primarily for sectarian instruction or study or is a place for devotional activities or religious worship and (ii) the Foundation does not unlawfully restrict use

of the Project by persons, because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age or physical handicap.

Section 5.4. Special Services Covenant. As long as any Certificates are Outstanding, the Foundation shall operate a science center within the territorial limits of the Program Participant for the benefit of the Program Participant and its residents, among others.

Failure to comply with the provisions of this Section 5.4 shall not constitute a Lease Agreement Default but shall be enforceable solely by the Authority by such action, at law or in equity, as the Authority in its sole discretion shall deem appropriate. This Section 5.4 shall not be enforceable by the Trustee, any Certificateholder, any Program Participant, any resident of a Program Participant or by any other person other than the Authority.

Section 5.5. Maintenance and Operation of the Facilities and the Project. The Foundation shall operate and maintain the Facilities in accordance with all governmental laws, ordinances, approvals, rules, regulations and requirements, including, without limitation, such zoning, sanitary, pollution and safety ordinances and laws and such rules and regulations thereunder as may be binding upon the Foundation, failure to comply with which with may have a material adverse effect upon the financial condition, assets, properties or operations of the Foundation. The Foundation shall maintain and operate the Facilities as a science center and will maintain and operate the same, and all fixtures, fittings and equipment of any kind in or that shall be placed in any building or structure now or hereafter at any time constituting part of the Facilities which is material to the operation of the Facilities in good repair, working order and condition, and that it will from time to time make or cause to be made all needful and proper replacements, repairs, renewals and improvements so that the efficiency and value of the Facilities shall not be materially adversely impaired.

Section 5.6. Taxes, Assessments, Other Governmental Charges and Utility Charges. The Foundation shall pay and discharge all taxes, assessments, governmental charges of any kind whatsoever, water rates, meter charges and other utility charges which may be or have been assessed or which may have become liens upon the Facilities or the interests therein of the Authority, the Trustee or the Certificateholders, and will make such payments or cause such payments to be made, respectively, in due time to prevent any delinquency thereon or any forfeiture or sale of the Facilities or any part thereof, and, upon request, will furnish to the Authority or Trustee receipts for all such payments, or other evidences satisfactory to the Authority and the Trustee; provided, however, that the Foundation shall not be required to pay any tax, assessment, rate or charge as herein provided as long as it shall in good faith contest the validity thereof.

Section 5.7. Insurance Required. (A) Subject to Subsection (B) of this Section and the provisions of the City Lease, the Foundation shall keep the Facilities and all of its properties and operations adequately insured at all times and carry and maintain such insurance in amounts which are customarily carried and against such risks (including particularly business interruption and earthquake insurance) as are customarily insured against by other organizations in connection with the ownership and operation of facilities of similar character and size in the State (and offering comparable services as those of the Foundation) to the extent it is

commercially available and at a price not to exceed one percent of Gross Revenues for the most recent Fiscal Year for which audited financial statements are available.

(B) Subject to the provisions of the City Lease, the insurance required under this Section may be maintained under a self-insurance plan so long as any such plan provides for (a) the establishment by the Foundation of a separate segregated self-insurance fund funded in an amount determined (initially and on at least an annual basis) by an insurance or actuarial consultant (which may be the Insurance Consultant) employing accepted actuarial techniques and (b) the establishment and maintenance of a claims processing and risk management program. No later than one hundred fifty (150) days after the end of each year, the Foundation shall cause an insurance or actuarial consultant (which may be the Insurance Consultant) to submit a report to the Trustee to the effect that such self-insurance plan is maintaining adequate reserves and has been adequately funded.

(C) Notwithstanding the foregoing, the Foundation shall at all times carry and maintain all insurance required by Section 5.2 of the City Lease.

Section 5.8. Insurers; Policy Forms and Loss Payees. The insurance policies required by Section 5.7 shall be carried by insurance companies which are financially responsible and capable of fulfilling the requirements of such policies and which are acceptable to the Trustee (which, for such judgment, may rely on a statement from the Insurance Consultant). All such policies required by Section 5.7(A) shall name the Foundation, the Trustee and the Authority as insured parties, beneficiaries or loss payees, as their interests may appear. Each policy shall be in such form and contain such provisions as are generally considered standard for the type of insurance involved and shall contain a provision to the effect that the insurer shall not cancel or substantially modify the policy provisions without first giving written notice thereof to the Foundation. In lieu of separate policies, the Foundation may maintain blanket policies which cover any one or more risks required to be insured against so long as the minimum coverages required herein are met. At least annually, commencing on the date of the original delivery of the Certificates, the Foundation shall file with the Trustee a Statement setting forth the policies of insurance maintained pursuant to this Lease Agreement, the names of the insurers and insured parties, the amounts of such insurance and applicable deductibles, the risks covered thereby and the expiration dates thereof. The Foundation shall also file with the Trustee a copy of any insurance review or recommendations received by the Foundation from the Insurance Consultant pursuant to Section 5.7(B) hereof.

Section 5.9. Insurance and Condemnation Proceeds.

(a) In the event of any damage to or destruction of any part of the Facilities or the Project caused by the perils covered by the insurance required to be maintained pursuant to this Lease Agreement or the City Lease, the Foundation shall cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facilities or the Project. Any of said proceeds not used for such repair, reconstruction or replacement as authorized by Section 5.7(A) shall be deposited in the Optional Prepayment Account within the Prepayment Fund and used to prepay Certificates pursuant to Section 4.01(B) of the Trust Agreement.

(b) If all or any portion of the Facilities or the Project shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) and the Foundation shall have certified to the Trustee and the Authority that such eminent domain proceedings shall not have materially affected the ability of the Foundation to meet its obligations hereunder, the Foundation shall cause the proceeds of said proceedings to be utilized for the repair or rehabilitation of the Facilities. Any of said proceeds not utilized for such repair or rehabilitation shall be used to prepay Lease Payments in accordance with Section 4.4 hereof.

Section 5.10. Liens on Gross Revenues. The Foundation shall not create or give, or permit the creation or giving of, any priority for payment, mortgage, lien, pledge or encumbrance on the Gross Revenues that is prior to the payment of the Lease Payments and Supplemental Payments due hereunder, other than (1) the lien of any film distributor upon Gross Revenues earned from the exhibition of any film of such distributor, (2) the lien of any entity providing improvements or equipment in connection with an exhibit at the Facilities upon Gross Revenues earned from such exhibit, and (3) any royalty due to any entity providing equipment or upgrades to equipment relating to the programmatic media systems of the space theater. To the extent provided in Section 5.11 hereof, the Foundation may incur Parity Debt secured on a pari passu basis by Gross Revenues, as set forth in Section 5.11(a), and other Indebtedness as set forth in Section 5.11(b).

Section 5.11. Parity Debt; Additional Indebtedness. (a) The Foundation shall not issue Parity Debt unless, according to a Statement of the Foundation filed with the Trustee and each Holder of at least fifty percent (50%) of the Outstanding Certificates, Net Gross Revenues Available for Debt Service for each Fiscal Year during which such Parity Debt will be Outstanding shall be projected by the Foundation to be at least equal to two and thirty-eight hundredths (2.38) times the amount of Maximum Aggregate Annual Debt Service with respect to this Lease Agreement and all Parity Debt to be Outstanding during such periods, including the Parity Debt then proposed to be issued. The projections of the Foundation with respect to such matters shall be prepared on a basis consistent with the financial statements delivered to the Authority and potential purchasers of the Certificates in connection with the initial execution and delivery of the Certificates, and such consistency shall be demonstrated by the Foundation to the satisfaction (not to be unreasonably withheld) of each Holder of at least fifty percent (50%) of the Outstanding Certificates.

(b) In addition to Indebtedness incurred pursuant to paragraph (a), the Foundation may incur and have outstanding (i) Non-Recourse Indebtedness, (ii) Indebtedness which is unsecured, (iii) Indebtedness the proceeds of which are applied to refinance or acquire real property assets, equipment and/or inventory (as such terms are defined in the California Uniform Commercial Code), film rental, software and/or other programmatic media and which is secured by such real property assets, equipment, inventory, film rental, software and/or other programmatic media and the revenues therefrom and (iv) Indebtedness which is secured by any capital campaign contribution, which Indebtedness will be repaid as such capital campaign contribution becomes available to the Foundation for use. In addition, except as otherwise provided in this Lease Agreement with respect to Parity Debt and notwithstanding Section 5.10 hereof, the Foundation may incur Indebtedness secured by a lien or encumbrance on Gross

Revenues, provided such lien or encumbrance is expressly junior and subordinate to the pledge, lien and security interest on Gross Revenues created by this Lease Agreement.

Section 5.12. Liquidity Covenant. The Foundation covenants and agrees to maintain as of the end of each Fiscal Year a combination of unrestricted cash and marketable securities in an amount at least equal to one-twelfth (1/12th) of the aggregate principal amount of all Certificates and Parity Debt Outstanding in such Fiscal Year.

Section 5.13. Continuing Disclosure. The Foundation hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Trust Agreement, the Sublease or this Lease Agreement, failure of the Foundation to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default, a Sublease Default or a Lease Agreement Default; however, any Certificateholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Foundation to comply with its obligations under this Section.

Section 5.14. Pledge of F.F&E's. The Foundation hereby pledges to the Authority for the benefit of the Holders, all of the Furniture, Fixtures and Equipment of the Foundation. "Furniture, Fixtures and Equipment" shall mean all furniture, fixtures and equipment owned by the Foundation as of the date hereof and necessary for the operation of the business of the Foundation, but excluding any proceeds, products or replacements of such Furniture, Fixtures and Equipment.

ARTICLE VI

NON-LIABILITY OF AUTHORITY; EXPENSES; INDEMNIFICATION

Section 6.1. Non-Liability of Authority. The Authority shall not be obligated to pay the principal component and premium, if any, and interest component with respect to the Certificates, except from Revenues.

The Foundation hereby acknowledges that the Authority's sole source of moneys to pay the Sublease Payments (and thereby the Certificates) will be provided by the payments made by the Foundation pursuant to this Lease Agreement, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal components and premium, if any, and interest components with respect to the Certificates as the same shall become due (whether on their Certificate Payment Dates or Interest Payment Dates, or by prepayments, acceleration or otherwise), then, upon notice from the Authority, the Foundation shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal components or interest components, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Authority, the Foundation or any other party.

Section 6.2. Expenses. The Foundation shall pay and indemnify the Authority and the Trustee (as assignee of the Authority's rights hereunder) against all fees, costs and charges, including reasonable fees of attorneys, accountants, consultants and other experts, incurred in good faith and arising out of or in connection with the City Lease, this Lease Agreement, the Sublease, the Trust Agreement, the Certificates or any related document.

Section 6.3. Indemnification. The Foundation shall, to the extent permitted by law, indemnify and hold harmless the Authority, the program participants (including without limitation the City of San Diego) and the Trustee (as assignee of the Authority's rights hereunder) and their respective members, directors, officers, employees and agents from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever, arising out of, resulting from or in any way connected with (1) the Facilities or the Project, or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation or construction, of the Facilities or the Project or any part thereof; (2) the sale of any Certificates and the carrying out of any of the transactions contemplated by the Certificates, the Trust Agreement, the Sublease, the City Lease, this Lease Agreement, the Tax Certificate and Agreement or any related document; (3) any violation of any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law and California Water Code Section 13304, and any successors to said laws), rule or regulation with respect to the Project or the release of any toxic substance on or with respect to the Project; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of the Certificates. The Foundation shall, to the extent permitted by law, pay or reimburse the Authority, the program participants (including without limitation the City of San Diego) and the Trustee and their respective members, directors, officers, employees and agents for any and all costs, reasonable attorneys fees, liabilities or expenses incurred in connection with investigating, defending against or otherwise in connection with any such losses, claims, damages, liabilities, expenses or actions. Notwithstanding anything to the contrary in this Lease Agreement or the Trust Agreement, the Trustee shall not be entitled to payment, reimbursement or indemnification with respect to actions involving willful misconduct, default or negligence on the part of the Trustee, and the Authority shall not be entitled to payment, reimbursement or indemnification with respect to actions involving willful misconduct, default or gross negligence on the part of the Authority.

The provisions of this Article VI shall survive the discharge of the Foundation's obligations hereunder in accordance with Article VIII hereof.

ARTICLE VII

LEASE AGREEMENT DEFAULTS AND REMEDIES

Section 7.1. Lease Agreement Defaults. The following events shall be "Lease Agreement Defaults":

(a) Failure by the Foundation to pay in full any payment required hereunder when due, whether at maturity, upon a date fixed for prepayment, by declaration or otherwise pursuant to the terms hereof;

(b) If any representation or warranty made by the Foundation herein or made by the Foundation in any document, instrument or certificate furnished to the Trustee or the Authority in connection with the execution and delivery of the Certificates shall at any time prove to have been incorrect in any material respect as of the time made;

(c) If the Foundation shall fail to observe or perform any covenant, condition, agreement or provision in this Lease Agreement on its part to be observed or performed, other than as referred to in subsection (a) or (b) of this Section, or shall breach any warranty by the Foundation herein contained, for a period of sixty (60) days after written notice (specifying such failure or breach and requesting that it be remedied) has been given to the Foundation by the Authority or the Trustee; except that, if such failure or breach can be remedied but not within such sixty (60) day period and if the Foundation has taken all action reasonably possible to remedy such failure or breach within such sixty (60) day period, such failure or breach shall not become a Lease Agreement Default for so long as the Foundation shall diligently proceed to remedy same in accordance with and subject to any directions or limitations of time established by the Trustee;

(d) If any default shall exist under any agreement governing any Parity Debt and such default shall continue beyond the grace period, if any, provided for with respect to such default;

(e) If the Foundation files a petition in voluntary bankruptcy, for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself or for the whole or any substantial part of the Foundation's properties;

(f) If a court of competent jurisdiction shall enter an order, judgment or decree declaring the Foundation an insolvent, or adjudging it bankrupt, or appointing a trustee or receiver of the Foundation or of the whole or any substantial part of the Foundation's properties, or approving a petition filed against the Foundation seeking reorganization of the Foundation under any applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof;

(g) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Foundation's properties, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control; or

(h) If any Event of Default or Sublease Default shall occur or default under the City Lease beyond any applicable notice and cure period shall occur.

Upon having actual notice of the existence of a Lease Agreement Default, the Trustee shall serve written notice thereof upon the Foundation unless the Foundation has expressly acknowledged the existence of such Lease Agreement Default in a writing delivered by the Foundation to the Trustee or filed by the Foundation in any court.

Section 7.2. Remedies on Default. If a Lease Agreement Default shall occur, then, and in each and every such case during the continuance of such Lease Agreement Default, the Authority may take any one or more of the following remedial steps:

(a) The Authority may exercise any and all rights of entry upon the Facilities and the Project, and also, at its option, with or without such entry, may terminate this Lease Agreement; provided, however, that no termination shall be effected either by operation of law or acts of the parties hereto except upon express written notice from the Authority or the Trustee to the Foundation terminating this Lease Agreement, as provided below. In the event of such default and notwithstanding any entry by the Authority or the Trustee, the Authority or the Trustee may at any time thereafter, with or without notice and demand and without limiting any other rights or remedies the Authority or the Trustee may have:

(1) Maintain this Lease Agreement in full force and effect and recover rent and other monetary charges as they become due, without terminating the Foundation's right to possession, regardless of whether or not the Foundation has abandoned the Facilities. In the event it elects not to terminate this Lease Agreement, the Authority shall have the right to attempt to relet the Facilities at such rent, upon such conditions and for such term, and to do all other acts to maintain or preserve the Facilities as the Authority deems necessary or desirable, provided however that no such actions shall be deemed to terminate this Lease Agreement. In the event any such reletting occurs, this Lease Agreement shall terminate automatically upon the new lessee's taking possession of the Facilities.

(2) Terminate the Foundation's right to possession by giving a written notice of termination to the Foundation. On the date specified in such notice (which shall be not less than thirty (30) days after the giving of such notice) the Foundation's right to possession and this Lease Agreement shall terminate, unless on or before such date all arrears of rental and all other sums payable by the Foundation under this Lease Agreement, and all costs and expenses incurred by or on behalf of the Authority and the Trustee hereunder, including attorneys' fees incurred in connection with such defaults, shall have been paid by the Foundation and all other defaults under or breaches of this Lease Agreement by the Foundation at the time existing shall have been fully remedied

to the satisfaction of the Authority. Upon such termination, the Authority may recover, in addition to all other damages available by contract or at law, from the Foundation: (i) the worth at the time of award of the unpaid rental which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Foundation proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rental for the balance of the term after the time of the award exceeds the amount of such rental loss that the Foundation proves could have been reasonably avoided; and (iv) any other amount necessary to compensate the Authority or the Trustee for all the detriment proximately caused by failure to perform its obligations under this Lease Agreement or which in the ordinary course of events would be likely to result therefrom. The "worth at the time of award" of the amounts referred to in clauses (i), (ii) and (iii) above is computed by allowing interest at the legal rate of interest per annum at which judgments for money in the State bear interest.

(b) The Authority may take whatever actions, at law or in equity, as may appear necessary or desirable to collect the Lease Payments, Supplemental Payments and any other payments then due and thereafter to become due under this Lease Agreement or to enforce the performance and observance of any obligation, covenant, agreement or provision contained in this Lease Agreement to be observed or performed by the Foundation.

Section 7.3. Remedies Not Exclusive; No Waiver of Rights. 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, to the extent permitted by law, shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity or otherwise. In order to entitle the Authority and the Trustee to exercise any remedy, to the extent permitted by law, reserved to it in this Lease Agreement, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given to the Authority hereunder shall also extend to the Trustee, and the Trustee may exercise any rights and will be charged with the obligations of the Authority under this Lease Agreement, and the Trustee and the Holders of the Certificates executed and delivered under the Trust Agreement shall be deemed third party beneficiaries of all covenants and conditions herein contained.

No delay in exercising or omitting 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 of any such default or an acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 7.4. Expenses on Default. In the event the Foundation should default under any of the provisions of this Lease Agreement and the Authority or the Trustee should employ attorneys or incur other expenses for the collection of the payments due hereunder, the Foundation agrees that it will on demand therefor pay to the Authority or the Trustee, as the case may be, the reasonable fee of such attorneys and such other expenses so incurred by the Authority or the Trustee, as the case may be.

Section 7.5. Notice of Default. The Foundation agrees that, as soon as is practicable, and in any event within ten (10) days after such event, the Foundation will furnish the Trustee and the Authority notice of any event which is a Lease Agreement Default, or which with the giving of notice or the passage of time or both could constitute a Lease Agreement Default, which has occurred and is continuing on the date of such notice, which notice shall set forth the nature of such event and the action which the Foundation proposes to take with respect thereto.

Section 7.6. Survival of Obligations. To the extent permitted by law, the Foundation covenants and agrees with the Authority that, except as provided in Article VIII hereof, its obligations under this Lease Agreement shall survive the cancellation and termination of this Lease Agreement, for any cause, and that the Foundation shall continue to pay all Lease Payments, and perform all other obligations provided for in this Lease Agreement, all at the time or times provided in this Lease Agreement.

ARTICLE VIII

DISCHARGE OF OBLIGATIONS

Section 8.1. Discharge of Obligations. When

(a) all Lease Payments shall become due and payable in accordance herewith or an Order of the Foundation to prepay all of the Lease Payments shall have been filed with the Trustee; and

(b) there shall have been deposited with the Trustee at or prior to the Certificate Payment Dates or other date (or dates) specified for prepayment, in trust for the benefit of the Holders of the Certificates and irrevocably set aside for the payment of the Lease Payments, sufficient moneys or Investment Securities required by Section 10.02 of the Trust Agreement, the principal of and the interest on which securities when due will provide moneys sufficient to pay all principal components and interest components of the Lease Payments to the Certificate Payment Date or prepayment date or dates so specified, as the case may be; and

(c) provision shall have been made for paying all fees and expenses of the Trustee so long as any of the Certificates shall remain unpaid;

then and in that event the right, title and interest of the Authority herein and the obligations of the Foundation hereunder shall thereupon cease, terminate, become void and become completely discharged and satisfied (except only that the right of the Authority to receive and the obligation of the Foundation to pay the Lease Payments shall continue, but only out of such money or securities deposited with the Trustee for such payment, provided further, however, that the provisions of Section 10.03 of the Trust Agreement shall apply in all events). In such event, upon Request of the Foundation, the Trustee shall cause an accounting for such period or periods as may be requested by the Foundation to be prepared and filed with the Foundation and shall

execute and deliver to the Foundation all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay as provided in the Trust Agreement, all such moneys or such Investment Securities held by it pursuant hereto (other than such moneys and such Investment Securities as are required for the payment or prepayment of the Lease Payments, which moneys and Investment Securities shall continue to be held by the Trustee in trust and shall be applied by the Trustee to such payment or prepayment of the Lease Payments of the Foundation).

ARTICLE IX

MISCELLANEOUS

Section 9.1. Further Assurances. The Foundation shall execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Authority to carry out the intention or to facilitate the performance of this Lease Agreement, the Trust Agreement or the Certificates.

Section 9.2. Notices. All notices or communications herein required or permitted to be given shall be in writing and given in the manner prescribed by Section 11.07 of the Trust Agreement. The Foundation and the Authority may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates and other communications shall be sent.

Section 9.3. Governing Law. This Lease Agreement shall be construed in accordance with and governed by the Constitution and laws of the State.

Section 9.4. Binding Effect. This Lease Agreement shall inure to the benefit of and shall be binding upon the Authority, the Foundation and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 9.5. Severability of Invalid Provisions. If any one or more of the provisions contained in this Lease Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Lease Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Lease Agreement, and this Lease Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the Foundation each hereby declares that it would have entered into this Lease Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Lease Agreement may be held illegal, invalid or unenforceable.

Section 9.6. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or

effect of this Lease Agreement. All references herein to "Articles," "Sections" and other subsections are to the corresponding Articles, Sections or subsections of this Lease Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section or subsection hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 9.7. Agreement Represents Complete Agreement; Amendments. This Lease Agreement represents the entire contract between the parties. This Lease Agreement may not be effectively amended, changed, modified, altered or terminated except by the written agreement of the Authority and the Foundation, given in accordance with the provisions of the Trust Agreement.

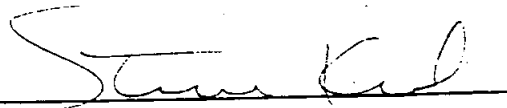
Section 9.8. Disclaimer of Warranties. The Authority makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the Foundation of the Facilities or the Project, or any portion thereof, or any other representation or warranty with respect to the Facilities or the Project or any portion thereof. In no event shall the Authority be liable for incidental, indirect, special or consequential damages, in connection with this Lease Agreement or the existence, furnishing or functioning of the Facilities or the Project, or the Foundation's or any other person's use of the Facilities or the Project, except such damages as may arise by reason of the Authority's breach of this Lease Agreement.

Section 9.9. Waiver of Personal Liability. No member, officer, agent or employee of the Authority or member, director, trustee, officer, agent or employee of the Foundation shall be individually or personally liable for the payment of Lease Payments or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Lease Agreement; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Lease Agreement.

Section 9.10. Execution of Counterparts. This Lease Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Foundation have caused this Lease Agreement to be executed by their duly authorized officers, all as of the date first above written.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By 
Member

SAN DIEGO SPACE AND SCIENCE
FOUNDATION

By _____
Executive Director

IN WITNESS WHEREOF, the Authority and the Foundation have caused this Lease Agreement to be executed by their duly authorized officers, all as of the date first above written.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By _____
Member

SAN DIEGO SPACE AND SCIENCE
FOUNDATION

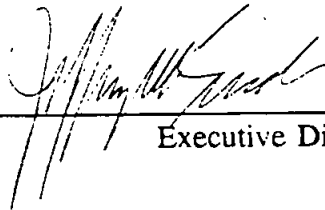
By  _____
Executive Director

EXHIBIT A

That portion of Balboa Park south of the Plaza de Balboa, opposite the San Diego Museum of Natural History, constituting the Reuben H. Fleet Space and Science Center at 1875 El Prado, Balboa Park, San Diego, California 92101.



Environmental Impact Report

EQD No. 87-0207

SUBJECT: Reuben H. Fleet Space Theater and Science Center Expansion.
COUNCIL APPROVAL of proposed expansion of the center from 53,155 square feet indoor space to 115,787 square feet total indoor space and 33,304 additional square feet of outdoor space. Located south and east of the Casa de Balboa Fountain, at Park Boulevard, in Balboa Park. Applicant: Reuben H. Fleet Space Theater and Science Center.

CONCLUSIONS:

The proposed project involves a major expansion of the existing Reuben H. Fleet Space Theater and Science Center to provide approximately three times as much useable square footage and increase current yearly attendance figures from 675,000 to 987,500 visitors. The project site is located at the easterly terminus of the El Prado corridor, which together with associated buildings and plazas from the 1915 and 1935 Expositions are part of a designated National Historic Landmark complex.

The originally proposed project was considered to have significant, adverse impacts on land use and visual quality due primarily to encroachment on existing park land and the adjacent Prado Complex; and a significant adverse impact on parking. These impacts have been mitigated to a level of insignificance by adoption of Project Alternative B identified in the EIR, and by a proposed shuttle bus system to shuttle users from the Naval Hospital parking lot.

IMPACTS OF ORIGINALLY PROPOSED PROJECT:

1. The proposed expansion would encroach into the area surrounding the Casa de Balboa Fountain, thereby removing a significant row of Pyrus trees, disrupting the existing symmetry of the fountain area, and reducing existing panoramic views.
2. The proposed project would replace the existing turfed park land between the existing Center and Park Boulevard with a new building and perimeter colonade structure situated within eight feet of Park Boulevard.
3. A proposed 380-foot-long drop-off lane on Park Boulevard would require seven-foot-high crib walls and would further crowd the fountain area.
4. The proposed "monumental stairway" between the drop-off lane and the fountain would remove the current separation between Park Boulevard and the Casa de Balboa Fountain. A potential safety hazard could result from fountain spray being blown onto the stairway by prevailing winds.

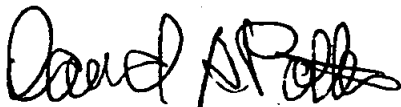
5. The proposed expansion would create an additional weekend daily afternoon attendance of 650 visitors, or equivalently, an increased parking demand of 89 spaces above the current demand. This demand for additional parking on weekends and other high use days is considered a significant adverse impact.

PROJECT ALTERNATIVE AND MITIGATION MEASURES ADOPTED BY THE APPLICANT:

Alternative B: The applicant has adopted Alternative B, which mitigates impacts 1-4 listed above to a level of insignificance. This alternative reduces expansions into the fountain area and Park Boulevard frontage by providing building expansion to the rear of the building. Key features of Alternative B include: reduced expansion into the Prado/Casa de Balboa Fountain area; elimination of major building expansion along Park Boulevard; deletion of the proposed "monumental stairway" and development instead of a small-scale walkway to the side of the fountain; retention of significant landscaping; and elimination of the proposed drop-off lane to reduce design impacts (see Section V.B).

Parking Mitigation: The proposed increased demand for parking caused by the proposed expansion will be mitigated through an applicant-sponsored shuttle transportation system which would carry visitors to the Science Center from the Naval Hospital parking lots. The system would operate a minimum of four times per hour from 12:00 p.m. to 6:00 p.m. on 50 peak afternoons per year to carry at least 109 passengers per hour (650 visitors per day). The system could be coordinated with future park wide systems. Details of the system, which will be incorporated into the new operating agreement, are provided in Section IV.B of the EIR.

Candidate CEQA Findings which discuss changes and alterations incorporated into the project to mitigate or avoid significant environmental effects identified in the EIR are attached to this report.



David A. Potter, Deputy Director
City Planning Department

December 22, 1987
Date of Draft Report

April 13, 1988
Date of Final Report

Analyst: Huffman

B. PARKING (Revised)

(Note: This section has been substantially revised from the corresponding section in the draft EIR, which is reproduced as an appendix to this final EIR.)

Existing Conditions

In the vicinity of the Space Theater, parking is available at the parking lot adjacent to the Space Theater (171 spaces), the Pepper Grove lot (104 spaces), and along Park Boulevard (185 spaces). In addition, 1,169 spaces of the Navy Hospital parking, located at the intersection of Park Boulevard and Presidents Way, are available for public use on weekends. The Navy Hospital parking is located from 1,500 to 3,000 feet south of the Space Theater, with an average distance of approximately 2,300 feet.

A parking survey conducted for the Parking and Access Study for the Balboa Park Development and Management Plan (P&D Technologies, 1988) indicated that parking spaces in the central mesa, which include the Space Theater lot, the Pepper Grove lot, and Park Boulevard, were fully utilized on a weekend afternoon. However, the Navy Hospital parking was utilized by just over 30 cars, leaving an excess capacity of over 1,100 spaces.

The Park and Recreation Department of the City of San Diego is currently (1988) reviewing projected parking demand and existing supply. The Department is considering measures such as restriping of existing lots, including the Pepper Grove lot, and potential applicability of time-limited parking in the central mesa areas. Thus these measures are not considered by the Department to be available to resolve institution-specific parking needs generated through facility expansion.

Issue: Would the increase in visitors resulting from the expansion have a significant impact on parking availability?

Potential Impacts

The draft EIR analyzed the potential impact of increased attendance on parking demand, based on average weekday afternoon attendance. This analysis revises the

parking analysis by examining parking demand based on average weekend afternoon attendance. Parking demand on a weekend day is approximately twice that on a weekday, and the weekend afternoon is the most congested period in the week for Balboa Park. It is the period which the City of San Diego Transportation and Traffic Engineering Division has recommended to be the basis for parking analysis (see letter of comment included in this document).

The Transportation and Traffic Engineering Division estimates that total annual attendance may be converted to average weekend day attendance by applying a factor of 0.004071 (see letter of comment).

Previous surveys (Balboa Park Parking Study, Economic Behavior Analysts, Inc. December 1979) indicated that 5% of the Space Theater's patronage arrives by modes other than automobile. (In 1984, the percentage of Space Theater patrons arriving by means other than private or rented cars was approximately 19% (A marketing research study on patrons and non-patrons of the Reuben H. Fleet Space Theater and Science Center, CIC Research, August 1984).) However, the 5% level was utilized for calculating parking demand in order to ensure a worst case analysis. The Economics Behavior Analysts survey reported the average car occupancy as 2.9 persons per vehicle for those attending events at the Space Theater. The typical length of visit in the survey was just under two hours. Under the proposed expansion, the average length of stay has been estimated to increase to 2½ hours (Economics Behavior Analysts, 1979).

The six hours reported as "afternoon" (12:00 p.m. to 6:00 p.m.) can be assumed to "turn over" patronage 2.4 times, the result of dividing six hours by 2 1/2 hours per average stay. Applying the above information to the projected growth in the total annual attendance (312,500; Table 5), it can be concluded that the new parking demand associated with the proposed expansion would be 89 spaces as summarized in Table 6. In addition, space for approximately 20 cars along Park Boulevard would be eliminated due to the addition of the proposed drop-off lane, resulting in a total new demand for 109 spaces.

Table 5
Existing and Anticipated Annual Attendance Distribution

	<u>Evening</u>	<u>Morning</u>	<u>Afternoon</u>	<u>Total</u>
Currently	168,175	130,725	376,100	675,000
Proposed	278,325	205,675	503,500	987,500
Net Change	110,150	74,950	127,400	312,500
Percent Change	54%	57%	34%	46%

Source: Reuben H. Fleet Space Theater, 1987.

Table 6
Parking Demand

	312,500	Projected growth in total annual attendance ^(a)
times	<u>.004071</u>	Annual to weekend day conversion
	1,272	Average weekend day attendance
times	<u>.51</u>	Day to afternoon conversion
	649	Average weekend afternoon attendance
times	<u>.95</u>	Correct for non-car modes
	617	Attendees travelling by car
divide by	<u>2.9</u>	Typical car occupancy
	213	Vehicles
divide by	<u>2.4</u>	Rate of parking space turnover
	89	Additional parking demand

(a) From Table 5.

Analysis of Significance

Since the three parking areas in the vicinity of the Space Theater (the Space Theater lot, the Pepper Grove lot, and Park Boulevard) are likely to be fully utilized on weekend afternoons, the additional demand of 109 spaces cannot be met in those areas. The new demand is thus a significant impact.

Mitigation Measures

In order to mitigate the additional demand for parking created by the proposed project, the proponent will work with the Park and Recreation Department to utilize the excess parking capacity in the Navy Hospital lots to serve visitors to the Space Theater. Proposed steps to achieve this objective are:

- (1) To operate shuttle transportation between the Space Theater and the Navy Hospital lots during peak attendance periods, and
- (2) To inform private-vehicle visitors to the Space Theater of the availability of the shuttle transportation and the Navy Hospital parking through appropriate media such as signage and continuous radio broadcast.

Increasing accessibility to the Navy Hospital lots during peak periods will reduce the projected parking impact to a level of insignificance, since there is large, unused parking capacity in those lots. (A detailed discussion of the proposed shuttle transportation is provided in Section V, Alternatives, for Alternative B to the proposed project.)

It is also recommended that parking capacity in the existing Space Theater and Pepper Grove lots be increased through restriping and/or reconfiguration, as discussed in the draft EIR. However, these measures plus others are currently under consideration by the Park and Recreation Department to address the park-wide parking issue and cannot be considered as mitigation for new parking demand created by expansion of individual facilities in the park (Dave Twomey, personal communication).



Development and Environmental
Planning Division
236-6460

Addendum
to an
Environmental Impact Report

DEP No. 91-0791
Addendum to EIR No. 87-0207

SUBJECT: Reuben H. Fleet Theater and Science Center Expansion. COUNCIL
APPROVAL of the proposed expansion of the Reuben H. Fleet Theater and
Science Center from 53,155 square feet to 115,787 square feet of
space. Located south and east of the Casa de Balboa Fountain, at
Park Boulevard in Balboa Park. Applicant: Reuben H. Fleet Space
Theater and Science Center.

I. PROJECT DESCRIPTION:

The proposed project involves a major expansion of the existing
Reuben H. Fleet Space Theater and Science Center as described in the
attached EIR and illustrated in Figure 1. The proposed expansion
involves the same square footage and parking as in the previously
proposed expansion. The major modifications to the previous plan
include a new entrance at the northeastern corner of the site;
reduced expansion into the Prado area and increased expansion into
the rear southwestern area of the site. Major project features of
the previous proposal (Alternative B in the EIR) remain.

II. ENVIRONMENTAL SETTING: See EIR.

III. PROJECT BACKGROUND:

The proposed expansion was previously analyzed in the attached EIR.
Alternative B, which mitigated most of the identified significant
impacts was adopted. The proposed redesign does not result in any
new or increased impacts.

IV. DETERMINATION:

The City of San Diego previously prepared an Environmental Impact
Report for the project described in the subject block of the attached
EIR conclusions.

Based upon a review of the current project, it has been determined
that:

- a. There are no new significant environmental impacts not
considered in the previous EIR;

- b. No substantial changes have occurred with respect to the circumstances under which the project is undertaken; and
- c. There is no new information of substantial importance to the project.

Therefore, in accordance with Section 15164 of the State CEQA Guidelines this addendum has been prepared. No public review of this addendum is required.

V. MITIGATION, MONITORING AND REPORTING PROGRAM INCORPORATED INTO THE PROJECT:

See attached EIR. The adoption of Alternative B mitigated most impacts.

VI. SIGNIFICANT UNMITIGATED IMPACTS:

There are no new significant impacts identified for the current project. However, the final EIR for the original project identified significant unmitigated impacts relating to parking.

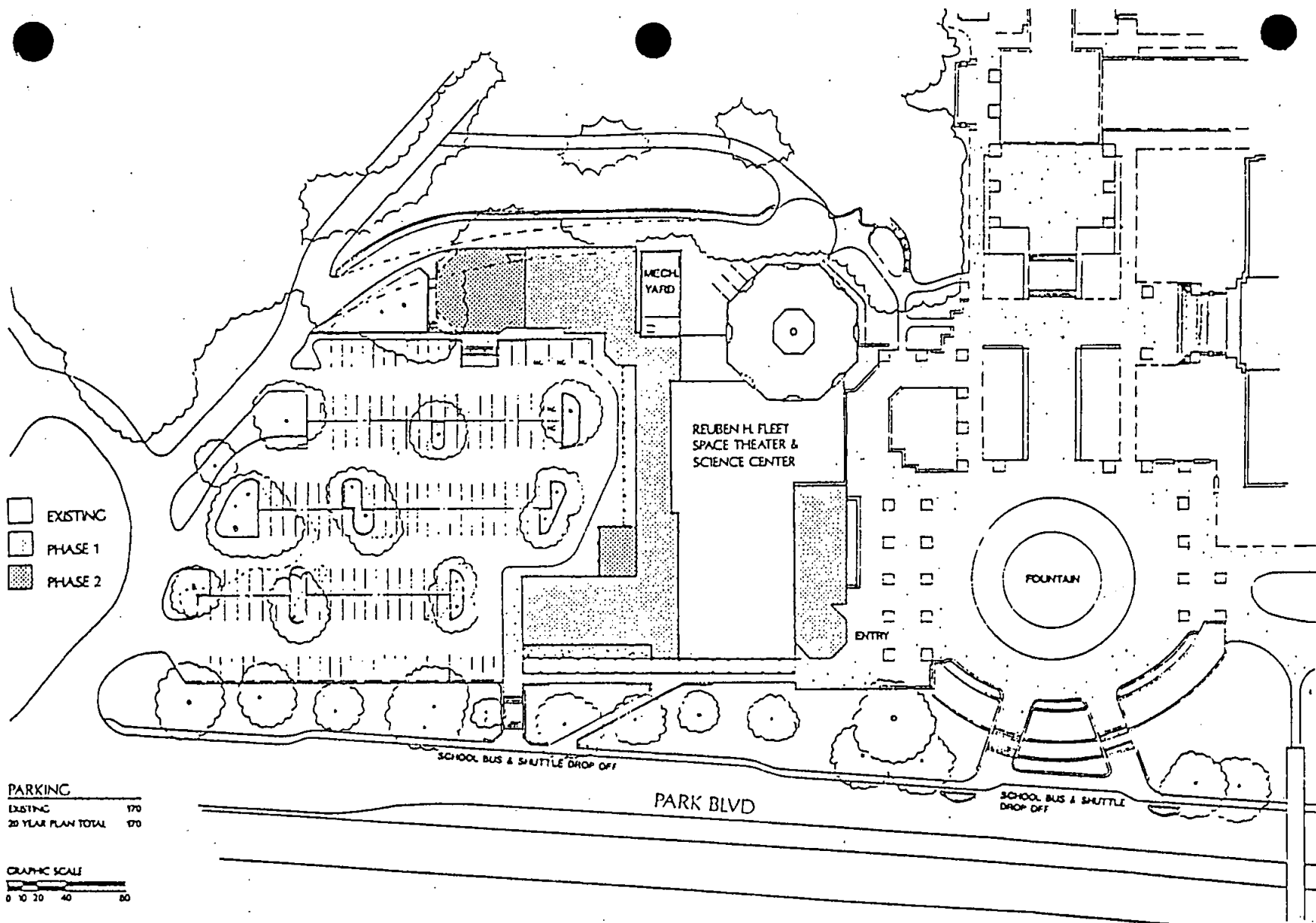
Ellen Mosley

for Ann B. Hix, Principal Planner
City Planning Department

11/12/91
Date

Analyst: Mosley

Copies of the addendum, the final EIR, the Mitigation Monitoring and Reporting Program, and any technical appendices may be reviewed in the office of the Development and Environmental Planning Division, or purchased for the cost of reproduction.



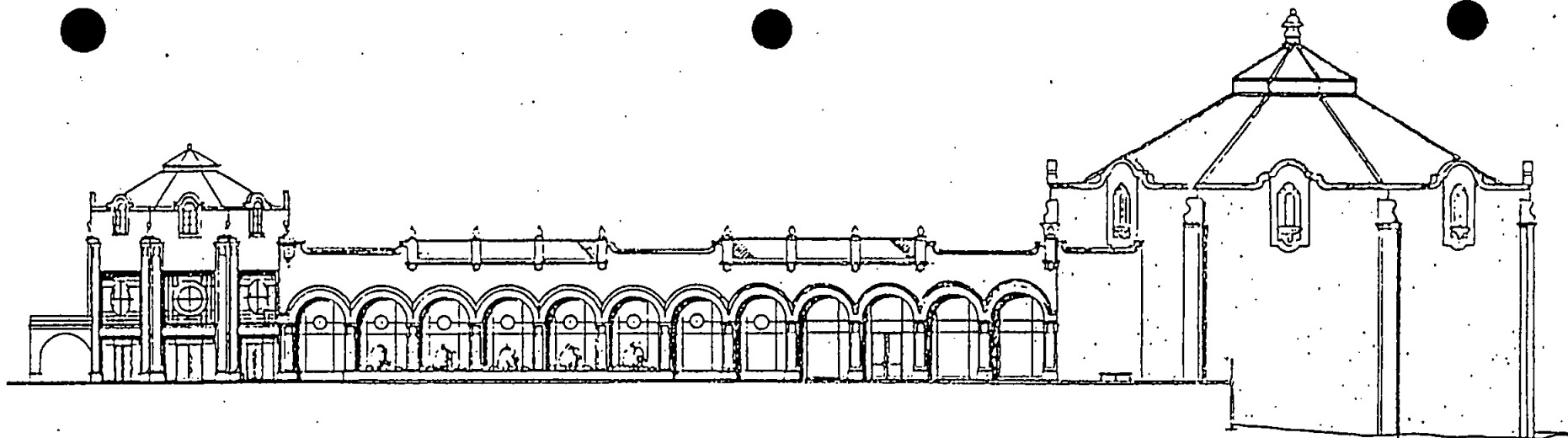
SITE PLAN

Environmental Quality Division

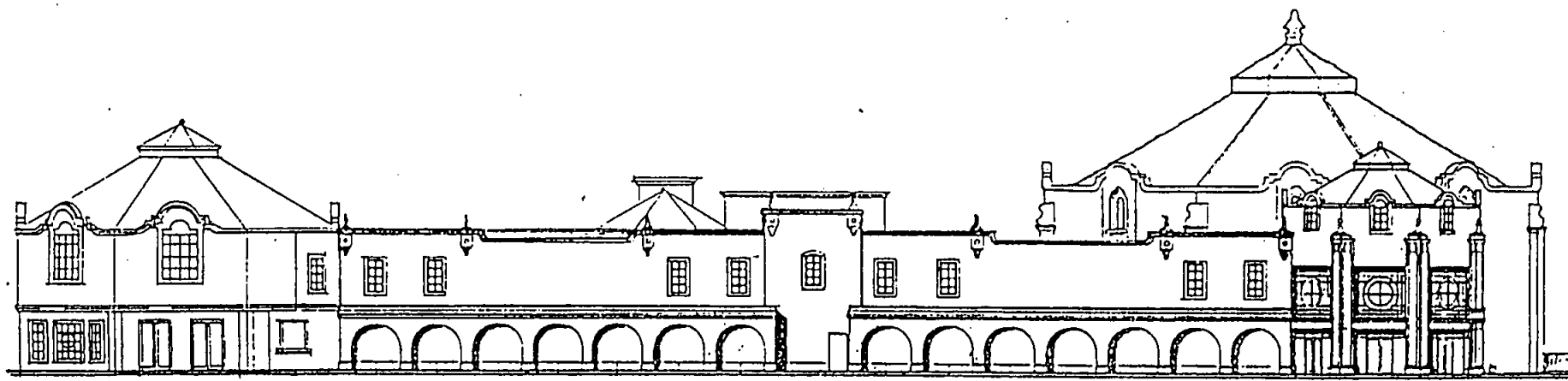
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FIGURE

1



NORTH ELEVATION



EAST ELEVATION

PROPOSED EXTERIOR ELEVATIONS

GRAPHIC SCALE
0 5 10 20

REUBEN H. FLEET SPACE THEATER & SCIENCE CENTER



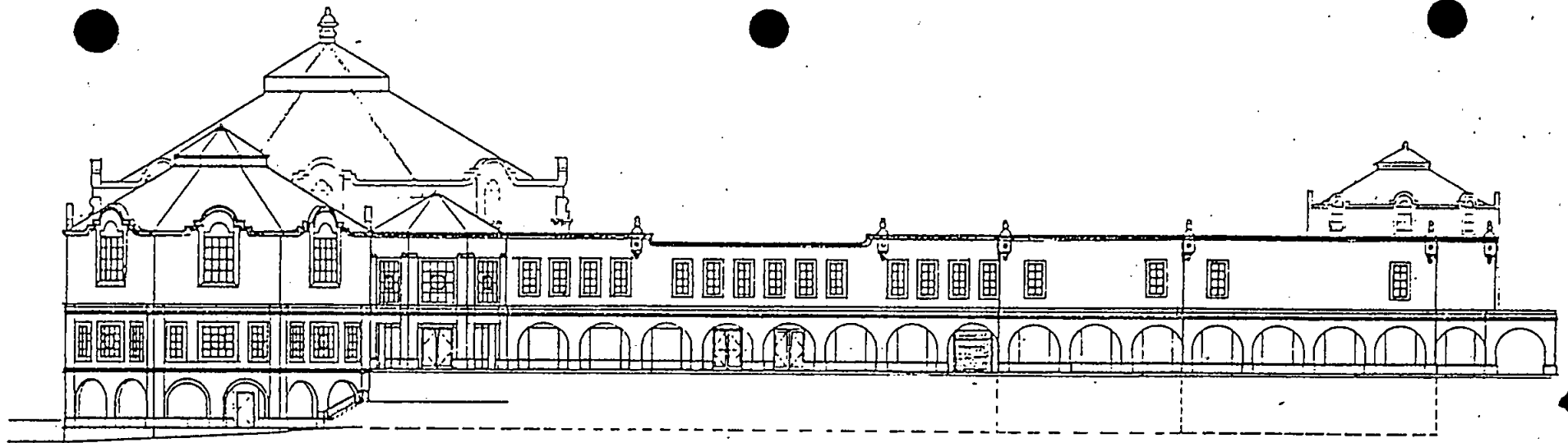
EXTERIOR ELEVATIONS

Environmental Quality Division

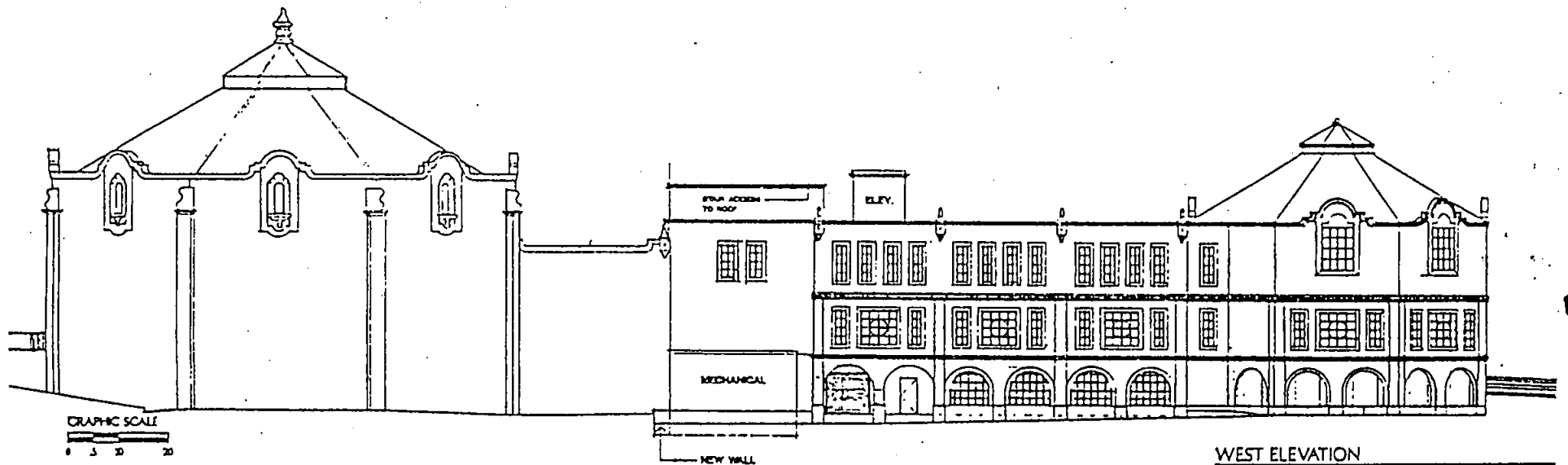
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FIGURE

2



SOUTH ELEVATION



WEST ELEVATION

REUBEN H. FLEET SPACE THEATER & SCIENCE CENTER

DELAWE/BLITTON/WALLS ASSOCIATES

PROPOSED EXTERIOR ELEVATIONS



EXTERIOR ELEVATIONS

Environmental Quality Division

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FIGURE

3