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RECORDED AT REQUEST OF

Recording Requested and
When Recorded Return To:

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RECORDED AT REQUEST OF
SAN MATEO COUNTY
OFFICIAL RECORDS

FACILITY LEASE

(LEARNING RESOURCE CENTER)

Dated as of March 1, 1994.

by and between

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

and

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

THIS TRANSACTION IS EXEMPT FROM FILING FEES PURSUANT TO
SECTION 6103 OF THE CALIFORNIA GOVERNMENT CODE.

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RECORDER'S OFFICE, COUNTY OF SAN MATEO

FACILITY LEASE

This lease, dated as of March 1, 1994, by and between the STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA, as lessor, and the SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT, as lessee;

WITNESSETH:

WHEREAS, the State Public Works Board of the State of California (the "Board") desires to assist the San Mateo County Community College District (the "District") by financing the construction, plus certain related costs, of the Learning Resource Center (hereinafter defined as the "Project") located at Skyline College in San Bruno, California, with the issuance of the Board's Lease Revenue Bonds (California Community Colleges) 1994 Series A (Various Community College Projects) pursuant to the Act (as defined below) and in accordance with an appropriation for the Project contained in Chapter 35, Item 6870-301-660 (9) of the Statutes of 1993;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

SECTION 1. Definitions

Unless the context otherwise requires, the terms defined in this section shall, for all purposes of this lease, have the meanings herein specified:

The term "Act" means the State Building Construction Act of 1955 (being Part 10b of Division 3 of Title 2 of the California Government Code) and all laws amendatory thereof or supplemental thereto.

The term "Board" means the State Public Works Board of the State of California, an entity of state government duly organized and validly existing under and pursuant to Part 10.5 of Division 3 of Title 2 of the California Government Code.

The term "Bonds" means the State Public Works Board of the State of California Lease Revenue Bonds (California Community Colleges) 1994 Series A (Various Community College Projects) issued by the Board under and pursuant to the Indenture to finance the Board's costs of the construction of the Project and certain related costs, including the costs of financing.

The term "Business Day" means a day of the year which is not a Saturday or Sunday, or not a day which State of California offices or banking institutions, located in California are required or authorized to remain closed.

The term "District" means the San Mateo County Community College District.

The term "Facility" means the Project and the Site.

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The term "Indenture" means the Indenture, dated as of March 1, 1994, by and between the Board and the State Treasurer, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions thereof.

The term "Project" means the Learning Resource Center to be constructed on the Site, and all additions, betterments, extensions and improvements thereto.

The term "Site" means that certain real property described in Exhibit A to the Site Lease, and attached hereto as Exhibit A.

The term "Site Lease" means the lease of the Site, dated as of March 1, 1994 and entitled "Site Lease," entered into between the District as lessor and the Board as lessee, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions hereof and thereof.

The term "State Treasurer" means the Treasurer of the State of California, or her successor, acting as trustee under and pursuant to the Indenture.

SECTION 2. Purpose and Term

The Board hereby leases the Facility to the District and the District hereby hires the Facility from the Board, on the terms and conditions hereinafter set forth and subject to all easements, encumbrances and restrictions, including without limitation the terms and conditions of the Site Lease. The District hereby agrees and covenants during the term of this lease that, except as hereinafter provided, it will use the Facility solely for instructional purposes and related laboratory and support space so as to afford the public the benefits contemplated by the Act and by this lease and so as to permit the Board to carry out its agreements and covenants contained in the Indenture and further agrees that it will not abandon the Facility. The District further covenants that it will not take any action or fail to take such action, if such action or the failure to take such action would adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds, dated as of March 1, 1994, by the Board and the State Treasurer.

The term of this lease shall commence on the earlier of the date of recordation of this lease in the office of the County Recorder of the County of San Mateo, State of California, or on March 1, 1994, and shall end on October 1, 2014 unless such term is extended or sooner terminated as hereinafter provided. If on October 1, 2014 the Bonds shall not have been fully paid and retired, or if the rental payable hereunder shall have been abated at any time and for any reason, then the term of this lease shall be extended until the date upon which all the Bonds shall have been fully paid and retired, except that the term of this lease shall in no event be extended beyond October 1, 2019. If prior to October 1, 2019, the Bonds shall have been fully paid and retired, then the term of this lease shall end simultaneously therewith.

It is contemplated that the District will take possession of the Facility and each and every part thereof on or before September 1, 1995, and the obligation to pay base rental shall commence on such date. If the Facility or any part thereof shall be substantially completed

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before September 1, 1995, the District may take possession of the Facility or such part thereof upon such substantial completion. The Board covenants that it will cause the Facility to be acquired and constructed with all practicable dispatch.

If the Board for any reason whatsoever cannot deliver possession of the Facility or any part thereof to the District by September 1, 1995, this lease shall not be void or voidable, nor shall the Board be liable to the District for any loss or damages resulting therefrom; but in that event the base rental payable hereunder shall be abated proportionately in the proportion which the acquisition and construction costs of the part or parts of the Facility not yet delivered to the District bears to the acquisition and construction costs of the entire Facility with respect to the period between September 1, 1995 and the time when the Board delivers possession of such part.

SECTION 3. Rental.

The District agrees to pay to the Board, its successors or assigns, without deduction or offset of any kind, as rental for the use and occupancy of the Facility, the following amounts at the following times:

(a) **Base Rental.** In order to pay the principal of and interest on the Bonds, the District shall pay to the Board annual base rental hereunder in such semi-annual installments as set forth in Schedule I. Such base rental shall be due and payable on or before March 15 and September 15 in each year through September 15, 2014, commencing March 15, 1996. The base rental installment due and payable on March 15, 1996 shall be for the use and occupancy of the Facility to March 31, 1996. The combined base rental installments due and payable on September 15, 1996 and March 15, 1997 shall be for the use and occupancy of the Facility to March 31, 1997, and each payment of annual base rental (in semi-annual installments) thereafter shall be for the use of the Facility for the period ending on March 31 of the year succeeding the date on which such rental is due. If any date for the payment of base rental is not a Business Day, such base rental shall be paid on the next succeeding Business Day.

(b) **Additional Rental.** The District shall pay to or upon the order of the Board as additional rental hereunder such reasonable amounts in each year as shall be required by the Board for the payment of all administrative costs and other expenses of the Board in connection with the Facility, including all expenses, compensation and indemnification of the State Treasurer payable by the Board under the Indenture, amounts required to be related to the United States government pursuant to the Indenture, fees of accountants, fees of the Attorney General or attorneys, litigation costs, insurance premiums and all other necessary costs of the Board or charges required to be paid by it in order to comply with the terms of the Act or of the Indenture or of the Bonds. Such additional rental shall be billed by the Board or the State Treasurer from time to time, together with a statement certifying that the amount so billed has been paid by the Board or by the State Treasurer on behalf of the Board for one or more of the items above described, or that such amount is then payable by the Board or the State Treasurer on behalf of the Board for such items. Amounts so billed shall be due and payable by the District within thirty (30) days after receipt of the bill by the District.

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Such payments of base rental and additional rental for each rental payment period during the term of this lease shall constitute the total rental for such rental payment period and shall be paid by the District in each rental payment period for and in consideration of the right to the use and occupancy, and the continued quiet enjoyment, of the Facility during each such rental payment period for which such rental is paid. The parties hereto have agreed and determined that such total rental represents the fair rental value of the Facility. In making such determination, consideration has been given to the costs of the construction of the Project to be financed by the Board with the proceeds of the Bonds, other obligations of the parties under this lease, the uses and purposes which may be served by the Facility and the benefits therefrom which will accrue to the District and the general public.

Each installment of rental payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Board in Sacramento, California, or such other place as the Board shall designate. Any such installment of rental accruing hereunder which shall not be paid when due shall bear interest at the legal rate of interest per annum from the date when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the Board and the District, the District shall make all rental payments when due without deduction or offset of any kind and shall not withhold any rental payments pending the final resolution of such dispute.

The District covenants to take such action as may be necessary to include all such rental payments due hereunder in its annual budgets (and that portion of the budget of the State related to the District) and to make the necessary annual allocations for all such rental payments. The District will furnish to the Board and the State Treasurer copies of each annual budget of the District (or that portion of the budget of the State) that contains the appropriation to pay rent hereunder, within ten (10) days after the adoption thereof by the District. The covenants on the part of the District herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the agreements and covenants in this lease agreed to be carried out and performed by the District.

Pursuant to California Government Code Section 15820.60(e), the District hereby authorizes (which authorization has precedence over other expenditure obligations of the District) the Chancellor of the California Community Colleges and the State Controller to withhold from its annual apportionment an amount equal to its annual rental, including the withholding of the additional apportionment amount and the amount determined to be the District's proportional share of the rental payments, as determined by the Chancellor of the California Community Colleges pursuant to Government Code Section 15820.60(d).

All rental payments received shall be applied first to the base rental due hereunder and thereafter to all additional rental due hereunder, but no such application of any payments which are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

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The rental shall be abated proportionately during any period in which, by reason of any damage or destruction (other than by condemnation which is provided for in Section 9), there is substantial interference with the use and occupancy of the Facility or any portion thereof by the District. Such abatement shall continue for the period commencing with such damage or destruction and ending when such use and occupancy are restored. The District waives the benefits of Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate this lease by virtue of any such damage or destruction.

SECTION 4. Financing the Project.

The Board agrees to use the proceeds of the Bonds to finance the costs of the construction of the Project, and certain related costs (or for making reimbursements to the Board or any other state agency, public agency, person, firm or corporation for such costs theretofore paid by it), including all costs incidental to or connected with such construction.

SECTION 5. Maintenance, Utilities, Taxes and Assessments.

During such time as the District is in possession of the Facility, all maintenance and repair, both ordinary and extraordinary, of the Facility shall be the sole responsibility of the District, which shall at all times maintain or otherwise arrange for the maintenance of the Facility in good condition, and the District shall pay for or otherwise arrange for the payment of all utility services supplied to the Facility and shall pay for or otherwise arrange for the payment of the costs of the repair and replacement of the Facility resulting from ordinary wear and tear or want of care on the part of the District or any other cause and shall pay for or otherwise arrange for the payment of all insurance policies required to be maintained with respect to the Facility. In exchange for the rentals herein provided, the Board agrees to provide only the Facility.

The District shall also pay to the Board or upon the order of the Board as additional rental hereunder such amounts, if any, in each year as shall be required by the Board for the payment of all taxes and assessments of any type or nature assessed or levied by any governmental agency or entity having power to levy taxes or assessments charged to the Board or the State Treasurer affecting or relating to the Facility or the respective interests or estates therein, or the amount of rentals received by the Board hereunder. Nothing herein shall require the District or any entity or agency of the State of California to pay any taxes or assessments not otherwise required by law.

SECTION 6. Changes to the Facility

The District shall have the right during the term of this lease to make additions, betterments, extensions or improvements to the Facility or to attach fixtures, structures or signs to the Facility if such additions, betterments, extensions or improvements or fixtures, structures or signs are necessary or beneficial for the use of the Facility by the District; the costs of such additions, betterments, extensions or improvements or fixtures, structures or signs shall be the responsibility of the District.

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SECTION 7. Insurance

(a) The District shall maintain or cause to be maintained fire, lightning and extended coverage insurance on the Facility in an amount equal to one hundred percent (100%) of the then current replacement cost of the Facility, excluding the then value of the land as unimproved (except that such insurance may be subject to deductible clauses of not to exceed five hundred thousand dollars (\$500,000) for any one loss), and earthquake insurance (if, in the discretion of the District, such insurance is available on the open market from reputable insurance companies at a reasonable cost) on any structure comprising part of the Facility in an amount equal to the full insurable value of such structure or the principal amount of all outstanding Bonds, whichever is less (except that such insurance may be subject to a deductible clause of not to exceed five hundred thousand dollars (\$500,000) for any one loss). The extended coverage endorsement shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke, vandalism and malicious mischief and such other hazards as are normally covered by such endorsement. Each such policy of insurance shall be in form reasonably satisfactory to the Board and shall contain a clause making all losses payable to the State Treasurer, the Board and the District as their interests may appear, and all proceeds thereof shall be paid over to the party contractually responsible for making repairs of casualty damage or to the Board to redeem Bonds.

In the event of any damage to or destruction of the Facility caused by the perils covered by such insurance, the proceeds of such insurance shall be utilized, in the discretion of the Board either to (i) redeem the outstanding Bonds, to the extent possible and in accordance with the provisions of the Indenture, but only if the base rental payments due after such redemption would be sufficient to retire the Bonds then outstanding in accordance with their terms, or (ii) repair, reconstruct or replace the Facility to the end that the Facility shall be restored to at least the same condition that it was in prior to such damage or destruction. Any balance of such proceeds not required for such repair, reconstruction or replacement shall be transferred to the Board and treated as Revenues (as defined in the Indenture) and applied in the manner provided in the Indenture.

(b) The District shall maintain or cause to be maintained public liability insurance with limits of not less than three million dollars (\$3,000,000) per occurrence for bodily injury and property damage combined to protect the District, the Board, the State Treasurer and the officers, agents and employees of each from all direct or contingent loss or liability for damages from bodily injury or death occasioned by reason of the construction, condition or operation of the Facility. The public liability insurance and property damage insurance may be subject to a deductible clause for any one occurrence of not to exceed five hundred thousand dollars (\$500,000). The insurance coverage required by this subsection may be effected by blanket policies covering the Facility issued to the party contractually responsible for the maintenance and operation of the Facility.

As an alternative to providing the insurance required by this subsection (b), the District, with the consent of the Board, may provide other kinds of insurance or methods or plans of protection if and to the extent such other kinds of insurance or methods or plans of

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repairs of casualty damage or to the Board to redeem Bonds.

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protection shall afford reasonable protection to the District, the Board, the State Treasurer and the officers, agents and employees of each, in light of all circumstances giving consideration to cost, availability and plans or methods of protection adopted by other governmental entities of and within the State of California. Before another method or plan may be provided by the District, there shall be filed with the Board and the State Treasurer a certificate of an actuary or other qualified risk assessor stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this subsection (b) and, when effective, would afford adequate protection to the District, the Board and the State Treasurer and the officers, agents and employees of each, against loss and damage from risks covered thereby. There shall also be filed a certificate of the District setting forth the details of such substitute method or plan

(c) The District shall maintain or cause to be maintained rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Facility as a result of any of the hazards covered by the insurance required by subsection (a) of this section in an amount not less than the total base rent payable by the District under this lease for a period of at least two (2) consecutive years. Any such insurance policy shall be in a form satisfactory to the State Treasurer and shall contain a loss payable clause making any loss thereunder payable to the State Treasurer. Any proceeds of such insurance shall be used by the State Treasurer to reimburse the District for any rental therefor paid by the District under this lease for a period of time during which the payment of rental under this lease is abated, and any proceeds of such insurance not so used shall be applied as provided in the Indenture to the extent required to pay Annual Debt Service on the Bonds (as defined in the Indenture), or shall be applied as provided in the Indenture to the extent required to pay administrative costs of the Board in connection with the Facility.

(d) The District will deliver to the State Treasurer in the month of July in each year (i) a schedule, in such detail as the State Treasurer in its discretion may request, setting forth the insurance policies then in force pursuant to this section, the names of the insurers which have issued the policies, the amounts thereof and the property and risks covered thereby, and (ii) in the event the District has provided alternative protection pursuant to the provisions of the second paragraph of subsection (b) of this Section 7, the certificate of an actuary or other qualified risk assessor as described in such paragraph. Each such insurance policy shall require that the State Treasurer be given thirty (30) days' notice of any intended cancellation thereof or reduction of the coverage provided thereby. Delivery to the State Treasurer of the schedule of insurance policies under the provisions of this section shall not confer responsibility upon the State Treasurer as to the sufficiency of coverage or amounts of such policies. If so requested in writing by the State Treasurer, the District shall also deliver to the State Treasurer duplicate originals or certified copies of each insurance policy described in such schedule.

SECTION 8. Breach

(a) If the District shall fail to pay any rental payable hereunder when the same becomes due and payable, time being expressly declared to be of the essence of this lease, or the District shall fail to keep, observe or perform any other term, covenant or condition

of this lease, then the State Treasurer shall be entitled to terminate this lease and to take possession of the Facility and the property and risks covered thereby. In the event the State Treasurer shall so terminate this lease, the District shall be liable to the State Treasurer for any rental therefor paid by the District under this lease for a period of time during which the payment of rental under this lease is abated, and any proceeds of such insurance not so used shall be applied as provided in the Indenture to the extent required to pay Annual Debt Service on the Bonds (as defined in the Indenture), or shall be applied as provided in the Indenture to the extent required to pay administrative costs of the Board in connection with the Facility.

contained herein to be kept or performed by the District for a period of sixty (60) days after notice of the same has been given to the District by the Board or the State Treasurer plus such additional time as may be reasonably required, in the sole discretion of the State Treasurer, to correct any of the same, or upon the happening of any of the events specified in subsection (b) of this Section, the District shall be deemed to be in default hereunder and it shall be lawful for the Board to exercise any and all remedies available pursuant to law or granted pursuant to this lease. Upon any such default, the Board, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(1) To terminate this lease in the manner hereinafter provided on account of default by the District, notwithstanding any re-entry or re-letting of the Facility as hereinafter provided for in subparagraph (2) hereof, and to re-enter the Facility and remove all persons in possession thereof and all personal property whatsoever situated upon the Facility and place such personal property in storage in any warehouse or other suitable place in the District. In the event of such termination, the District agrees to immediately surrender possession of the Facility, without let or hindrance, and to pay the Board all damages recoverable at law that the Board may incur by reason of default by the District, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Facility and removal and storage of such property by the Board or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay rent or to deliver up possession of the Facility given pursuant to law nor any entry or re-entry by the Board nor any proceeding in unlawful detainer, or otherwise, brought by the Board for the purpose of effecting such re-entry or obtaining possession of the Facility nor the appointment of a receiver upon initiative of the Board to protect the Board's interest under this lease shall of itself operate to terminate this lease, and no termination of this lease on account of default by the District shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Board shall have given written notice to the District of the election on the part of the Board to terminate this lease. The District covenants and agrees that no surrender of the Facility or of the remainder of the term hereof nor any termination of this lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Board by such written notice.

(2) Without terminating this lease, (i) to collect each installment of rent as it becomes due and enforce any other term or provision hereof to be kept or performed by the District, or (ii) to exercise any and all rights of entry and re-entry upon the Facility and to re-let the Facility on any terms at the Board's discretion. In the event the Board does not elect to terminate this lease in the manner provided for in subparagraph (1) hereof, the District shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the District, and, if the Facility is not re-let, to pay the full amount of the rent to the end of the term of this lease or, in the event that

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the Facility is re-let, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of rent hereunder, notwithstanding the fact that the Board may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified, and notwithstanding any entry or re-entry by the Board or suit in unlawful detainer, or otherwise, brought by the Board for the purpose of effecting such re-entry or obtaining possession of the Facility. Should the Board elect to re-enter as herein provided, the District hereby irrevocably appoints the Board as the agent and attorney-in-fact of the District to re-let the Facility, or any part thereof, from time to time, either in the Board's name or otherwise, upon such terms and conditions and for such use and period as the Board may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Facility and to place such personal property in storage in any warehouse or other suitable place for the District in the county in which the Facility is located, for the account of and at the expense of the District, and the District hereby exempts and agrees to save harmless the Board from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Facility and removal and storage of such property by the Board or its duly authorized agents in accordance with the provisions herein contained except for any such costs, loss or damage resulting from the intentional or negligent actions of the Board or its agents. The District agrees that the terms of this lease constitute full and sufficient notice of the right of the Board to re-let the Facility in the event of such re-entry without effecting a surrender of this lease, and further agrees that no acts of the Board in effecting such re-letting shall constitute a surrender or termination of this lease irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the District, the right to terminate this lease shall vest in the Board to be effected in the sole and exclusive manner provided for in subparagraph (1) hereof. The District further waives the right to any rental obtained by the Board in excess of the rental herein specified and hereby conveys and releases such excess to the Board as compensation to the Board for its services in re-letting the Facility. The District further agrees to pay the Board the cost of any alterations or additions to the Facility necessary to place the Facility in condition for re-letting immediately upon notice to the District of the completion and installation of such additions or alterations for the purpose of

Upon default under this lease, payments of base rental hereunder shall not be accelerated.

The District hereby waives any and all claims for damages caused or which may be caused by the Board in re-entering and taking possession of the Facility as herein provided and all claims for damages that may result from the destruction of or injury to the Facility and all claims for damages to or loss of any property belonging to the District or any other person,

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that may be in or upon the Facility, except for such claims resulting from the intentional or negligent actions of the Board or its agents.

Each and all of the remedies given to the Board hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Board to other or further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include, but not be limited to, re-letting by means of the operation or other utilization by the Board of the Facility. If any statute or rule of law validly shall limit the remedies given to the Board hereunder, the Board nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Board shall prevail in any action brought to enforce any of the terms and provisions of this lease, the District agrees to pay a reasonable amount as and for attorney's fees incurred by the Board in attempting to enforce any of the remedies available to the Board hereunder, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment.

(b) In addition to any default resulting from breach by the District of any term or covenant of this lease, if (1) the District's interest in this lease or any part thereof be assigned, sublet or transferred without the written consent of the Board, either voluntarily or by operation of law, or (2) the District or any assignee shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the District asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the District's debts or obligations, or offers to the District's creditors to effect a composition or extension of time to pay the District's debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of the District's debts or for any other similar relief, or if any such petition or if any such proceedings of the same or similar kind or character be filed or be instituted or taken against the District, or if a receiver of the business or of the property or assets of the District shall be appointed by any court, except a receiver appointed at the instance or request of the Board, or if the District shall make a general or any assignment for the benefit of the District's creditors, or (3) the District shall abandon the Facility, then the District shall be deemed to be in default hereunder.

(c) The Board shall in no event be in default in the performance of any of its obligations hereunder unless and until the Board shall have failed to perform such obligations within sixty (60) days plus such additional time as may be reasonably required, in the sole discretion of the State Treasurer, to correct any such default after notice by the District to the Board properly specifying wherein the Board has failed to perform any such obligation

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SECTION 9. Eminent Domain.

If the whole or any portion of the Facility shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), the proceeds therefrom shall be deposited with the State Treasurer in a special fund in trust and shall be applied and disbursed by the State Treasurer as follows:

(a) If less than the entire Facility shall have been so taken and the remainder is usable as a higher education facility, then this lease shall continue in full force and effect as to such remainder and (i) if the portion taken is replaced by a facility of equal or greater utility within or adjacent to such remainder, the State Treasurer shall disburse such proceeds to the party that incurred the expense of making such replacement and there shall not be any abatement of rental under this lease, or (ii) failing the making of such replacement, there shall be a partial abatement of rental under this lease and the State Treasurer shall apply such proceeds as specified in subsection (b)

(b) If less than the entire Facility shall have been so taken and the remainder is not usable as a higher education facility, or if the entire Facility shall have been so taken, then the term of this lease shall cease as of the day that possession shall be so taken; and the State Treasurer shall apply such proceeds, together with any other money then available to it for such purpose, for the payment of the entire amount of principal then due or to become due upon all outstanding Bonds, together with the interest thereon so as to enable the Board to retire all of the Bonds then outstanding by redemption or by payment at maturity; provided, however, that if such proceeds, together with any other money, then lawfully available to it for such purpose, are insufficient to provide for the foregoing purpose, the State Treasurer shall apply such proceeds in accordance with the provisions of the Indenture so far as the same may be applicable.

SECTION 10. Right of Entry.

The Board shall have the right to enter the Facility during reasonable business hours (and in emergencies at all times) to inspect the same for any purpose connected with the District's rights or obligations under this lease, and for all other lawful purposes.

SECTION 11. Liens.

In the event the District shall at any time during the term of this lease cause any additions, betterments, extensions or improvements to the Facility to be constructed or materials to be supplied in or upon the Facility, the District shall pay or cause to be paid when due all sums of money that may become due, or purporting to be due for any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the District in, upon or about the Facility and shall keep the Facility free of any and all mechanics' or materialmen's liens or other liens against the Facility or the Board's interest therein. In the event any such lien attaches to or is filed against the Facility or the Board's interest therein, the District shall cause

ENCLOSURE 2424 (4130)

each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the District desires to contest any such lien it may do so. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the District shall forthwith pay or cause to be paid and discharged such judgment. The District agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Board, the State Treasurer, and their members, directors, agents, successors and assigns harmless from and against and defend each of them against any claim, demand, loss, damage, liability or expense (including attorneys' fees) as a result of any such lien or claim of lien against the Facility or the Board's interest therein.

SECTION 12. Quiet Enjoyment.

The parties hereto mutually covenant that the District, so long as it keeps and performs the agreements and covenants herein contained and is not in default hereunder, shall at all times during the term of this lease peaceably and quietly have, hold and enjoy the Facility without suit, trouble or hindrance from the Board.

SECTION 13. Board Not Liable.

The Board and its members, officers and employees shall not be liable to the District or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Facility, except any liability due to entry by the Board onto the Facility. The District shall, to the extent permitted by law, indemnify and hold harmless the Board and its members, officers and employees from, and defend each of them against, any and all claims, liens and judgments for death of or injury to any person or damage to property whatsoever occurring in, on or about the Facility; provided, however, that such indemnity and holding harmless shall not include any such claims, liens and judgments arising due to the negligent or wilful acts of the Board in connection with its entry onto the Facility.

SECTION 14. Title to Property.

Upon the termination or expiration of this lease (other than as provided in Sections 8 and 9), title to the Project shall vest in the District. Upon such termination or expiration, the Board shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record.

SECTION 15. Governing Law; Venue.

The laws of the State of California shall govern this lease, the interpretation hereof and any right or liability arising hereunder. Any action or proceeding to enforce or interpret any provision of this lease shall be brought, commenced or prosecuted in Sacramento County, California.

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SECTION 16. Notices.

All approvals, authorizations, consents, demands, designations, notices, offers, requests, statements or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and; if to the District, addressed to the District at San Mateo County Community College District, 3401 CSM Drive, San Mateo, California 94402-3651, Attention: Craig T. Blake, or, if to the Board, addressed to the Board c/o Department of General Services, Contracted Fiscal Services, 1325 J Street, Suite 1510, Sacramento, California, 95814, Attention: Manager of Contracted Fiscal Services with a copy to the State Treasurer addressed to the Office of the State Treasurer, State of California, 915 Capitol Mall, Sacramento, California 95814, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 17. Validity and Severability.

If for any reason this lease or any part hereof shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Board or by the District, all of the remaining terms of this lease shall nonetheless continue in full force and effect. If for any reason it is held by such a court that any of the covenants and conditions of the District hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this lease is and shall be deemed to be a lease from year to year under which the rentals are to be paid by the District annually in consideration of the right of the District to possess, occupy and use the Facility, and all the other terms, provisions and conditions of this lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 18. Waiver.

The waiver by the Board of any breach by the District of any agreement, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other agreement, covenant or condition hereof.

The waiver by the District of any breach by the Board of any agreement, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other agreement, covenant or condition hereof.

SECTION 19. Net Lease.

This lease shall be deemed and construed to be a net lease and the District hereby agrees that the rentals provided for herein shall be an absolute net return to the Board, free and clear of any expenses, charges or set offs whatsoever.

13 If for any reason this lease or any part hereof shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Board or by the District, all of the remaining terms of this lease shall nonetheless continue in full force and effect. If for any reason it is held by such a court that any of the covenants and conditions of the District hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this lease is and shall be deemed to be a lease from year to year under which the rentals are to be paid by the District annually in consideration of the right of the District to possess, occupy and use the Facility, and all the other terms, provisions and conditions of this lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

The waiver by the Board of any breach by the District of any agreement, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other agreement, covenant or condition hereof.

The waiver by the District of any breach by the Board of any agreement, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other agreement, covenant or condition hereof.

SECTION 19. Net Lease. This lease shall be deemed and construed to be a net lease and the District hereby agrees that the rentals provided for herein shall be an absolute net return to the Board, free and clear of any expenses, charges or set offs whatsoever.

RECORDER'S OFFICE COUNTY OF SAN MATEO

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SECTION 20. Section Headings

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this lease

SECTION 21. Amendment

This lease may only be amended by a written instrument duly authorized and executed by the Board and the District, provided however that no such amendment shall materially adversely affect the owners of the Bonds.

SECTION 22. Tax Covenants

The District hereby covenants that it will not use or permit the use of the Site and the Project, and shall not take or permit to be taken any other action or actions, which would cause any Bond to be a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended, and any such applicable regulations promulgated from time to time hereunder.

SECTION 23. Execution

This lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this lease may be separately executed by the Board and the District all with the same force and effect as though the same counterpart had been executed by both the Board and the District.

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IN WITNESS WHEREOF, the Board and the District have caused this lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By _____
Administrative Secretary

APPROVED:

DEPARTMENT OF GENERAL SERVICES

By _____
Chief Counsel

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

By Craig T. Blake
Authorized Representative
Craig T. Blake, Acting Chancellor and Associate Chancellor

The Chancellor of the California Community Colleges hereby accepts the duties and obligations of the Chancellor set forth in Section 3 of this lease.

CHANCELLOR OF THE CALIFORNIA COMMUNITY COLLEGES

By _____
Authorized Representative

CHANGED BY 24/24 141230Y

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

Craig T. Blake
Authorized Representative
Craig T. Blake, Acting Chancellor and Associate Chancellor

RECORDER'S OFFICE COUNTY OF SAN MATEO

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RECORDER'S OFFICE COUNTY OF SAN MATEO

COX CASTLE HIGHWAY

IN WITNESS WHEREOF, the Board and the District have caused this lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By _____
Administrative Secretary

APPROVED:
DEPARTMENT OF GENERAL SERVICES

By _____
Chief Counsel

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

By _____
Authorized Representative

The Chancellor of the California Community Colleges hereby accepts the duties and obligations of the Chancellor set forth in Section 3 of this lease.

CHANCELLOR OF THE CALIFORNIA COMMUNITY COLLEGES

RECORDER'S MEMO:
POOR RECORD IS DUE TO
QUALITY OF ORIGINAL DOCUMENT

By Joseph P. Keating
Authorized Representative

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IN WITNESS WHEREOF, the Board and the District have caused this lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By George Udvardy
Administrative Secretary

APPROVED:

DEPARTMENT OF GENERAL SERVICES

By [Signature]
Chief Counsel

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

By _____
Authorized Representative

The Chancellor of the California Community Colleges hereby accepts the duties and obligations of the Chancellor set forth in Section 3 of this lease.

CHANCELLOR OF THE CALIFORNIA COMMUNITY COLLEGES

By _____
Authorized Representative

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SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

The Chancellor of the California Community Colleges hereby accepts the duties and obligations of the Chancellor set forth in Section 3 of this lease.

RECORDER'S OFFICE COUNTY OF SAN MATEO

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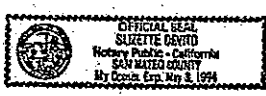
RECORDER'S OFFICE COUNTY OF SAN MATEO

STATE OF CALIFORNIA)
) ss.
COUNTY OF San Mateo)

On March 30, 1994, before me, the undersigned Notary Public, personally appeared Craig T. Blake personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Suzette Davis (Seal)

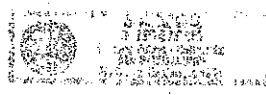


STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

WITNESS my hand and official seal.

Signature _____ (Seal)



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RECORDER'S OFFICE COUNTY OF SAN MATEO

STATE OF CALIFORNIA)
COUNTY OF Sacramento) ss.

On April 4, 1997, before me, the undersigned Notary Public, personally appeared Joseph P. Keating, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature Theresa M. Campos (Seal)

STATE OF CALIFORNIA)
COUNTY OF _____) ss.

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

WITNESS my hand and official seal.



Signature _____ (Seal)

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STATE OF CALIFORNIA)
) ss.
COUNTY OF Sacramento)

On March 31, 1994, before me, the undersigned Notary Public, Theresa M. Campos
personally appeared George Valverde
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

WITNESS my hand and official seal.



Signature Theresa M. Campos (Seal)

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

WITNESS my hand and official seal.

Signature _____ (Seal)

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RECORDER'S OFFICE COUNTY OF SAN MATEO

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Schedule I

Base Rental Payment Schedule

San Mateo County Community College District
Skyline College
Learning Resource Center

<u>Payment Date</u>	<u>Lease Payment</u>
09/15/94	0.00
03/15/95	0.00
09/15/95	0.00
03/15/96	37,471.80
09/15/96	469,831.71
03/15/97	219,563.29
09/15/97	474,564.21
03/15/98	213,698.29
09/15/98	478,699.21
03/15/99	207,339.29
09/15/99	467,339.21
03/15/2000	200,339.29
09/15/2000	465,339.21
03/15/2001	192,615.79
09/15/2001	502,616.71
03/15/2002	184,833.29
09/15/2002	509,834.21
03/15/2003	176,302.04
09/15/2003	516,302.98
03/15/2004	161,002.04
09/15/2004	531,002.98
03/15/2005	150,919.54
09/15/2005	540,920.48
03/15/2006	140,097.04
09/15/2006	555,097.98
03/15/2007	128,373.29
09/15/2007	563,374.21
03/15/2008	115,887.04
09/15/2008	575,887.98
03/15/2009	102,355.00
09/15/2009	582,355.00
03/15/2010	87,900.00
09/15/2010	607,900.00
03/15/2011	72,300.00
09/15/2011	622,300.00
03/15/2012	55,600.00
09/15/2012	640,800.00
03/15/2013	38,250.00
09/15/2013	658,250.00
03/15/2014	19,650.00
09/15/2014	674,650.00

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RECORDER'S OFFICE COUNTY OF SAN MATEO

Brian Kangas Fouk

EXHIBIT A

March 18, 1994

Job No. 920185

**Property Description of Site for
Skyline Collage Learning Resource Center**

Consulting Engineer
340 Pitta Avenue
Redwood City, CA 94065
415/355-0412
RM 415/355-0250

SITUATE in the City of San Bruno, County of San Mateo, State of California and described as follows:

BEING a portion of Parcel 1 as said parcel is shown on that certain map entitled "Record of Survey of a portion of San Pedro Rancho, San Bruno, San Mateo County, California," filed January 30, 1959 in Book 4 of L.L.S. Maps at Page 44, San Mateo County records, more particularly described as follows:

COMMENCING at the southwesterly terminus of the course on the northwesterly line of said Parcel 1 described as "North 39° 29' 15" East 720.34 feet" (said line having a bearing of North 72° 19' 15" East for the purposes of this description);

THENCE South 51° 06' 45" East 308.43 feet to the TRUE POINT OF BEGINNING;

THENCE South 89° 58' 56" East 137.67 feet;

THENCE South 0° 01' 04" West 197.67 feet;

THENCE North 89° 58' 56" West 137.67 feet;

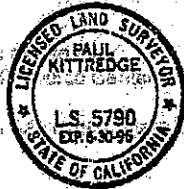
THENCE North 0° 01' 04" East 197.67 feet to the TRUE POINT OF BEGINNING.

Containing an area of 27,213 square feet, more or less.

This description was prepared by:

Paul Kittredge 3/18/94

Paul Kittredge, P.L.S. 5790
License Expires: 6/30/98



PK:klm:pw

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RECORDER'S OFFICE COUNTY OF SAN MATEO