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**INDENTURE**

between

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY,**  
as Issuer

and

**ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION**  
as Trustee

Dated as of [DATED DATE]

Relating to:

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
LEASE REVENUE BONDS, SERIES 2017A  
(ORANGE COUNTY CIVIC CENTER  
INFRASTRUCTURE IMPROVEMENT PROGRAM – PHASE I)**

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**THIS INDENTURE**, made and entered into as of [DATED DATE], is by and between the **CALIFORNIA MUNICIPAL FINANCE AUTHORITY**, a public entity organized under the laws of the State of California (as hereinafter in Section 1.01 further defined, the “Authority”), and **ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION**, a national banking association, being qualified to accept and administer the trusts hereby created (as hereinafter in Section 1.01 further defined, the “Trustee”).

**WITNESSETH:**

**WHEREAS**, the Capital Facilities Development Corporation (the “Corporation”) has applied for the financial assistance of the Authority in order to assist the County of Orange (the “County”) with the financing of the development, design, construction, financing, leasing and acquisition of a new office building, conference center, and parking structure (the “Project”) to be located in the Orange County Civic Center on the site of an existing office building (generally known as “Building 16”);

**WHEREAS**, in order to accomplish the financing of the Project, the Corporation will enter into a Ground Lease (Phase I), dated as of [DATED DATE] (the “Ground Lease”), between the Corporation and the County of certain real property on which the Project is to be located (the “Leased Property”), as more particularly described in the Ground Lease and the hereinafter defined Facility Lease;

**WHEREAS**, concurrently with the execution of the Ground Lease, the County and the Corporation are entering into a Facility Lease (Phase I) (the “Facility Lease”), dated as of [DATED DATE], pursuant to which the Corporation will lease back the Leased Property from the County;

**WHEREAS**, the Authority has authorized the issuance of its California Municipal Finance Authority Lease Revenue Bonds, Series 2017A (Orange County Civic Center Infrastructure Improvement Program – Phase I) (the “Series 2017A Bonds”), in an aggregate principal amount of \$\_\_\_\_\_, and has duly entered into a loan agreement, dated as of [DATED DATE], with the Corporation (the “Loan Agreement”) specifying the terms and conditions of a loan by the Authority to the Corporation of the proceeds of the Series 2017A Bonds to fund a loan to the Corporation that will (i) finance the Project, (ii) pay capitalized interest on the Series 2017A Bonds, and (iii) pay certain expenses incurred in connection with the issuance of the Series 2017A Bonds;

**WHEREAS**, the Loan Repayments, as herein defined, payable by the Corporation under the Loan Agreement will be secured by Base Rental Payments, as herein defined, payable by the County to the Corporation under the Facility Lease;

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

**WHEREAS**, the Bonds, and the Trustee’s certificate of authentication and registration to appear thereon shall be in substantially the form attached hereto as Exhibit A, and incorporated

into this Indenture by this reference, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture; and

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

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

## **ARTICLE I**

### **DEFINITIONS**

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

“**Act**” means the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented.

“**Additional Bonds**” means the additional bonds authorized by a Supplemental Indenture that are authenticated and delivered by the Trustee under and pursuant to Article II hereof.

“**Additional Payments**” shall have the meaning assigned to it pursuant to Section 3.02 of the Loan Agreement.

“**Additional Project**” means, to the extent identified by the County as such, the public facilities to be acquired and constructed with the proceeds of Additional Bonds.

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

**“Authority”** means the California Municipal Finance Authority, or its successors and assigns, a joint exercise of powers authority formed by a Joint Exercise of Powers Agreement, dated as of January 1, 2004 by and among certain California cities, counties and special districts, as may be amended from time to time (the **“Joint Powers Agreement”**) pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the **“Act”**).

**“Authority Issuance Fee”** means \$\_\_\_\_\_.

**“Authority Annual Fee”** means the greater of (i) 1.5 basis points (0.015%) times the principal amount of the Bonds outstanding on the issuance date (for the initial Authority Annual Fee) or on the first day of the month in which the anniversary of the issuance date occurs (for each subsequent Authority Annual Fee), or (ii) \$500.

**“Authority Representative”** means with respect to the Authority, any member of the Board of Directors of the Authority (the **“Board”**) or the Executive Director of the Authority, or any other person designated as an Authority Representative by a certificate signed by a member of the Board or such Executive Director and filed with the Trustee.

**“Authorized Corporation Representative”** means any Director of the Corporation, the County Chief Financial Officer, the County Public Finance Director, and any person who at the time and from time to time may be designated, by written certificate furnished to the Authority and the Trustee by any Director of the Corporation, as a person authorized to act on behalf of the Corporation. Such certificate shall contain the specimen signature of such person, shall be signed on behalf of the Corporation by any officer of the Corporation and may designate an alternate or alternates.

**“Authorized Denominations”** means \$5,000 and any integral multiple of \$5,000 in excess thereof.

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

**“Base Rental Payments”** means the amounts payable pursuant to the Facility Lease by the County to the Corporation for the use and occupancy of the Leased Property.

**“Beneficial Owner”** means, (i) when used with reference to the Book Entry Only System, the person who is considered the beneficial owner of the Bonds and, with respect to the Bonds pursuant to the arrangements for book entry determination of ownership applicable to the Depository and, (ii) for purposes of Section 6.08 hereof, any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding such through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

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



**“Bond Purchase Agreement”** means and refers to that certain Bond Purchase Agreement, dated \_\_\_\_\_, 2017, among the Authority, the Underwriter, and the Corporation.

**“Bonds”** means the Series 2017A Bonds and any Additional Bonds.

**“Business Day”** means any day other than a Saturday, a Sunday or a day on which banking institutions in the city in which the Principal Corporate Trust Office is located are authorized or obligated by law or executive order to be closed.

**“Capitalized Interest Account”** means the account by that name established pursuant to Section 5.02 hereof.

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

**“Certificate of the Corporation,” “Consent of the Corporation,” “Request of the Corporation,” “Requisition of the Corporation”** or **“Statement of the Corporation”** mean, respectively, a written certificate, request, requisition or statement of the Corporation executed on its behalf by any Director of the Corporation, the County Chief Financial Officer, the County Public Finance Director, and any person who at the time and from time to time may be designated, by written certificate furnished to the Authority and the Trustee by any Director of the Corporation, as a person authorized to act on behalf of the Corporation.

**“Certificate of the County,” “Consent of the County,” “Order of the County,” “Request of the County”** or **“Requisition of the County”** mean, respectively, a written certificate, consent, order, request or requisition of the County signed by or on behalf of the County by the Chair or Vice Chair of the County Board of Supervisors, the County Executive Officer, the County Chief Financial Officer, or the County Public Finance Director and any person who at the time and from time to time may be designated, by written certificate furnished to the Authority and the Trustee as a person authorized to act on behalf of the County.

**“Certificate of Substantial Completion”** means a Certificate of the Corporation substantially in the form attached as Exhibit B to the Loan Agreement and Exhibit N to the Development Agreement, stating that construction of the Project has been substantially completed.

**“Closing Date”** means \_\_\_\_\_, 2017, the date of original issuance and delivery of the Series 2017A Bonds.

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

**“Construction Costs”** means all costs of constructing the Project, including, but not limited to:

(1) all costs which the County or the Corporation shall be required to pay to a manufacturer, vendor or contractor or any other person under the terms of any contract or contracts for the construction, installation or improvement of the Project;

(2) obligations of the Corporation, the County or others incurred for labor and materials (including obligations payable to the Corporation, the County or others for actual out-of-pocket expenses of the Corporation, the County or others) in connection with the construction, installation or improvements of the Project, including reimbursement to the Corporation, the County or others for all advances and payments made in connection with the Project prior to or after delivery of the Bonds.

(3) the costs of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect during the course of construction, installation or improvement of the Project;

(4) all costs of engineering and architectural services, including the actual out-of-pocket costs of the Corporation or the County for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees and sales commissions, and for supervising construction, installation and improvement, as well as for the performance of all other duties required by or consequent to the proper construction, installation or improvement of the Project; and

(5) any sums required to reimburse the Corporation or the County for advances made by the Corporation or the County for any of the above items or for any other costs incurred and for work done by the Corporation or the County which are properly chargeable to the construction, installation or improvement of the Project.

**“Continuing Disclosure Certificate”** means the Continuing Disclosure Certificate, dated \_\_\_\_\_, 2017, to be executed and delivered by the County, as originally executed and delivered and as it may from time to time be amended in accordance therewith.

**“Corporation”** means Capital Facilities Development Corporation, a California nonprofit public benefit corporation, its successors and assigns.

**“Corporation Documents”** means Loan Agreement, the Ground Lease, the Facility Lease and the Development Agreement.

**“Corporation Resolution”** means the resolution or other authorizing action adopted by the Corporation authorizing the Loan and execution and delivery of the Corporation Documents.

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

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

**“County”** means the County of Orange, a political subdivision duly organized and existing under the Constitution and laws of the State of California.

**“Debt Service”** means, for any period of time, the sum of (a) the interest payable during such period on all indebtedness of the applicable entity, (b) that portion of the principal amount of all Indebtedness of the applicable entity maturing on each principal payment date during such period, and (c) that portion of the principal amount of all indebtedness of the applicable entity that are required to be redeemed or paid from sinking fund installments during such period (together with the redemption premiums, if any, thereon).

**“Depository”** means The Depository Trust Company and its successors and assigns, or any other depository selected as set forth in Section 2.10 hereof which agrees to follow the procedures required to be followed by such depository in connection with the Bonds.

**“Developer”** means Griffin Structures, Inc., a California corporation, and its successors and permitted assigns.

**“Development Agreement”** means that certain Development Agreement, dated as of [DATED DATE], between the Corporation and the Developer, as the same may be amended from time to time.

**“Electronic Notice”** means notice through telecopy, facsimile, transmission, internet, e-mail or other electronic means of communication, capable of making a written record.

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

(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 or any Federal Reserve Bank and CATS and TIGRS) or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by the United States of America;

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

(3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities shall constitute Eligible Securities only if they have been stripped by the agency itself): Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (“FHLMC”), Federal National Mortgage Association (“FNMA”), Student Loan Marketing Association, Resolution Funding Corporation or Farm Credit System;

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

(5) repurchase agreements with either a primary dealer on the reporting dealer list of the Federal Reserve or any bank, which, in either case, is rated “A” or better by S&P and Moody’s, provided that (a) the term of such repurchase agreement is not greater than thirty days, (b) the Trustee or third party acting solely as agent for the Trustee has possession of the collateral, (c) the collateral is valued weekly and the market value of the collateral is maintained at an amount equal to at least 104% (or, if the collateral consists of obligations of FHLMC or FNMA, 105%) of the amount of cash transferred by the Trustee to the dealer bank or securities firm under the repurchase agreement plus interest, (d) failure to maintain the requisite collateral levels will require the Trustee to liquidate the collateral immediately, (e) the repurchase securities are either obligations of, or fully guaranteed as to principal and interest by, the United States or any federal agency backed by the full faith and credit of the United States; (f) the repurchase securities are free and clear of any third-party lien or claim; and (g) there shall have been delivered to the Trustee, the Authority and the Corporation an Opinion of Counsel to the effect that such repurchase agreement meets all guidelines under State law for legal investment of public funds;

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

(7) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating, at the time of purchase, by S&P of “AAAm-G”, “AAA-m”, or “AA-m” and if rated by Moody’s rated “Aaa”, “Aa1” or “Aa2”, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(8) certificates of deposit or similar bank deposit products secured at all times by collateral described in (1) and/or (2) above, issued by commercial banks, savings and loan associations or mutual savings banks relating to collateral held by a third party, and in which collateral the Trustee on behalf of the Bondholders has a perfected first security interest;

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

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

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

(12) the Orange County Investment Pool;

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

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

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

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

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

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

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

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

**“Governmental Unit”** shall have the meaning set forth in Section 150 of the Code.

**“Gross Revenues”** means, for any Fiscal Year, all of the revenues, income, cash receipts and other money received by the Corporation, or received by the Trustee on behalf of the Corporation pursuant to this Indenture, that are legally available for payment of the obligations of the Corporation under the Loan Agreement.

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

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

**“Independent Consultant”** means a Person that does not have any direct financial interest or any material indirect financial interest in the Corporation or the County and is not connected with the Corporation as an officer, employee, promoter, trustee, partner, director or Person performing similar functions, and designated by the Corporation, qualified to pass upon questions relating to the financial affairs of facilities of the type or types operated by the County and having a favorable reputation for skill and experience in the financial affairs of such facilities.

**“Insurance Proceeds and Condemnation Awards Fund”** means the fund by that name established pursuant to Section 5.10.

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

**“Interest Payment Date”** means each June 1 and December 1, commencing \_\_\_\_\_ 1, 201\_\_.

**“Irrevocable Deposit”** means the irrevocable deposit in trust of cash in an amount (or Government Obligations the principal of and interest on which will be in an amount), and under

terms sufficient to pay all or a portion of the principal of and/or premium, if any, and interest on, as the same shall become due, of any indebtedness of the Corporation which would otherwise be considered Outstanding. The trustee of such deposit may be any trustee or escrow agent authorized to act in such capacity.

**“Facility Lease”** means that certain Facility Lease (Phase I), dated as of [DATED DATE], by and between the Corporation as lessor and the County as lessee, for use and occupation of the premises described therein, as the same may be amended and supplemented in accordance with its terms and with the terms of the Loan Agreement.

**“Leased Property”** has the meaning set forth in the preambles hereto.

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

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

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

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

**“Mandatory Sinking Account Payment”** means the amount so designated which is established pursuant to Section 5.04 of this Indenture with respect to the Series 2017A Bonds.

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

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

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

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

**“Outstanding,”** when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.10 hereof) all Bonds theretofore, or thereupon being,

authenticated and delivered by the Trustee under this Indenture except (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02 of this Indenture; and (c) Bonds for the transfer or exchange of which, or in lieu of or in substitution for which, other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

**“Payments”** means (i) all moneys, if any, received by the Trustee directly from, or on behalf of, the Corporation, pursuant to the Loan Agreement (excluding Additional Payments), and (ii) all income derived from the investment of any money in any fund or account established pursuant to this Indenture.

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

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

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

**“Principal Payment Date”** means each principal and Mandatory Sinking Account Payment date for the Bonds, which shall occur on June 1 of each year, commencing June 1, 201\_ with respect to the Series 2017A Bonds.

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

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

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

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

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



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

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

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

**“Reimbursement Account”** means the account by that name established pursuant to Section 5.08 of this Indenture.

**“Reimbursement Amount”** means the amount of \$0.00, representing the soft and hard costs of the Project incurred by the County for which the County is entitled to reimbursement from proceeds of the Series 2017A Bonds deposited into the Reimbursement Account within the Project Fund, which Amount the County may instruct the Corporation to pay Persons listed on Schedule I attached to the form of Requisition from the Project Fund which may represent payment for any authorized expenditures of the County.

**“Responsible Officer”** of the Trustee means and includes a duly authorized officer of the Trustee, with regular responsibility for the administration of matters related to this Indenture.

**“Retained Rights”** means Authority right to payment of the Administrative Fees and Expenses, any Additional Payments, any right to be indemnified, held harmless or defended, the right to enforce venue provisions, any right to receive information, reports, certifications or other documents and any right to notice, consent or inspection hereunder or under the Loan Agreement.

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

**“S&P”** means S&P Global Ratings, a corporation organized and existing under the laws of the State of New York, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the County.

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

**“Series 2017A Bonds”** means the California Municipal Finance Authority Lease Revenue Bonds, Series 2017A (Orange County Civic Center Infrastructure Improvement Program – Phase I).

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

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

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

“**State**” means the State of California.

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

“**Tax Certificate**” means the respective Tax Certificate of the Authority and the County dated the date of issuance of the Tax Exempt Bonds, as the same may be amended or supplemented in accordance with its terms.

“**Tax Exempt**” means, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the owners thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

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

“**Trustee**” means Zions Bank, a Division of ZB, National Association or the successor as Trustee hereunder as provided in Section 8.01 or 8.02 of this Indenture.

“**Underwriter**” means Citigroup Global Markets Inc., its successors and assigns.

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

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

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

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

**SECTION 1.03 Article and Section Headings and References.** The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture.

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

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

## ARTICLE II

### THE BONDS

**SECTION 2.01 Authorization of Series 2017A Bonds.** (a) There shall be issued under and secured by this Indenture a series of bonds hereby authorized to be issued hereunder, designated as the “California Municipal Finance Authority Lease Revenue Bonds, Series 2017A (Orange County Civic Center Infrastructure Improvement Program – Phase I).” The aggregate principal amount of the Series 2017A Bonds that may be issued and Outstanding under this Indenture is expressly limited to and shall not exceed \$\_\_\_\_\_), exclusive of the Series 2017A Bonds executed and authenticated as provided in Section 2.08 hereof.

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

**SECTION 2.02 Terms of Series 2017A Bonds.** (a) The Series 2017A Bonds shall be issued as registered bonds in Authorized Denominations. The Series 2017A Bonds shall be dated their date of issuance. Interest on the Series 2017A Bonds shall be calculated on the basis of a

360-day year of twelve 30-day months and shall be payable in arrears on each Interest Payment Date.

(b) The Series 2017A Bonds shall mature on June 1 in each of the years and in the principal amounts and shall bear interest at the rates as follows:

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(c) The Bonds, when issued, will be registered in the name of Cede & Co., as nominee of the Depository, and shall be evidenced by one Bond for each maturity in the total aggregate principal amount of the Bonds of such maturity. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.09 hereof. So long as Cede & Co. is the registered owner of the Bonds, as nominee of the Depository, references herein to the Bondholders, holders or registered owners shall mean Cede & Co. as aforesaid and shall not mean the “beneficial owners” of the Bonds.

The principal of and interest on the Bonds shall be payable in lawful money of the United States of America upon surrender at the Principal Corporate Trust Office. So long as the registered owner of the Bonds are Cede & Co., payment of principal and redemption shall be made without presentment. The interest on any Bond shall be payable to the person whose name appears on the registration books of the Trustee as the registered owner thereof as of the close of business on the Record Date for the Interest Payment Date, such interest to be paid by check mailed by first class mail, postage prepaid, on the Interest Payment Date, to the registered owner at his or her address as it appears on such registration books. Notwithstanding the foregoing, however, any Holder of \$1,000,000 or more in an aggregate principal amount of the Bonds shall be entitled to receive payments of interest on the Bonds held by it by wire transfer of immediately available funds to such bank or trust company located within the United States of America as such other Holder shall designate in writing to the Trustee by the first Record Date for such payment. So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds are payable in same day funds by the Trustee to Cede & Co., as nominee for the Depository.

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

**SECTION 2.03 Execution of Bonds.** The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair or any other member of the board of directors of the Authority without attestation. The Bonds shall then be delivered to the Trustee for

authentication by it. In case any member of the board of directors of the Authority who shall have signed or attested any of the Bonds shall cease to be such member of the board of directors before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed the same had continued to be such member of the board of directors of the Authority as at the actual date of execution of such Bond shall be the proper member of the board of directors although at the nominal date of such Bond any such person shall not have been such member of the board of directors of the Authority.

**SECTION 2.04 Transfer of Bonds.** The registration of any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.06 of this Indenture, by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall require the payment by the Holder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, and there shall be no other charge to any Holder for any such transfer. The Trustee shall not be required to register the transfer of any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.01 hereof or Section 4.02 hereof, or as provided in any Supplemental Indenture, or during the period established by the Trustee for selection of Bonds for redemption.

**SECTION 2.05 Exchange of Bonds.** Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of the Bonds of the same maturity of other authorized denominations. The Trustee shall require the payment by the Holder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange, and there shall be no other charge to any Holder for any such exchange. No exchange of Bonds shall be required to be made during the period established by the Trustee for selection of Bonds for redemption and after a Bond has been selected for redemption.

**SECTION 2.06 Bond Register.** The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient books for the registration of transfer of the Bonds, which shall at all reasonable times during normal business hours upon reasonable notice be open to inspection by the Authority; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register the transfer or cause to be registered the transfer, on said books, of Bonds as hereinbefore provided.

**SECTION 2.07 Temporary Bonds.** The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the Authority, shall be in registered form and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office of the Trustee, and the

Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations, of the same maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

**SECTION 2.08 Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the Authority, at the expense of the Holder of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Authority. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Authority, at the expense of the Holder, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any Bond mutilated, lost, destroyed or stolen shall have matured, instead of issuing a substitute Bond the Trustee may pay the same without surrender upon receipt of indemnity satisfactory to the Trustee. The Authority may require payment from the Holder of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

**SECTION 2.09 Use of Depository.** Notwithstanding any provision of this Indenture to the contrary:

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

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

(ii) To any Substitute Depository designated by the Authority (at the direction of the Corporation) and not objected to by the Trustee, upon (1) the resignation of the Depository or its successor (or any Substitute Depository or its successor) from its functions as depository or (2) a determination by the Authority (at the direction of the Corporation) that the Depository or its successor (or any Substitute Depository or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of the Depository or its successor (or Substitute Depository or its successor) from its functions as depository; provided that no Substitute Depository which is not objected to by the Trustee can be obtained or (2) a determination by the Authority (with the concurrence of the Corporation) that it is in the best interests of the Authority to remove the Depository or its successor (or any Substitute Depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Trustee, together with a Request of the Authority to the Trustee, a single new Bond for each maturity shall be executed and delivered in the aggregate principal amount of the Bonds of such maturity then Outstanding, registered in the name of such successor or such Substitute Depository, or their nominees, as the case may be, all as specified in such Request of the Authority. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Trustee, new Bonds shall be executed and delivered in such denominations numbered in consecutive order from R-1 up and registered in the names of such persons as are requested in such a Request of the Authority, subject to the limitations of Section 2.02 hereof, provided the Trustee shall not be required to deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a Request of the Authority.

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

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

**SECTION 2.10 Validity of Bonds.** The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Trustee with respect to or in connection with the Loan Agreement. The recital contained in the Bonds that the same are issued pursuant to the Act and the Constitution and laws of the State shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

**SECTION 2.11 Execution and Delivery of Additional Bonds.** At the written request of the Corporation, the Authority and the Trustee may, by execution of a Supplemental Indenture without the consent of the Owners, provide for the execution and delivery of Additional Bonds payable from additional Payments. The Trustee may authenticate and deliver to or upon the written request of the Corporation such Additional Bonds, and the proceeds of such Additional Bonds may

be applied to any lawful purposes of the Corporation or the Authority, but such Additional Bonds may only be authenticated and delivered upon compliance by the Corporation with the provisions of Section 2.12 hereof and subject to the following specific conditions, which are hereby made conditions precedent to the execution and delivery of any such Additional Bonds:

(a) Neither of the Corporation nor the Authority shall be in default under the Indenture nor any Supplemental Indenture or the Loan Agreement nor any supplemental loan agreement; neither of the County nor the Corporation shall be in default under the Facility Lease or the Ground Lease nor any supplement or amendment to either;

(b) The dated date and the maturity dates of, and the Mandatory Sinking Account Payment dates, if any, for such Additional Bonds; provided that (i) each maturity date shall fall upon June 1, (ii) the final maturity date shall not exceed the remaining useful life of the Leased Property, (iii) all such Additional Bonds of like maturity shall be identical in all respects, except as to number and denomination and (iv) serial maturities for serial Bonds or sinking fund payments for Term Bonds, or any combination thereof, shall be established to provide for the retirement of such Additional Bonds on or before their respective maturity dates;

(c) The interest payment dates for such Additional Bonds, which shall be Interest Payment Dates;

(d) The aggregate principal amount of Bonds authenticated and delivered and at any time Outstanding hereunder or under any Supplemental Indenture shall not exceed any limit imposed by law, by this Indenture or by any Supplemental Indenture;

(e) The Loan Agreement shall have been amended, to the extent necessary, so as to increase the Payments payable by the Corporation thereunder by an aggregate amount at least sufficient to pay the principal of and interest on such Additional Bonds as the same become due.

(f) The Ground Lease and the Facility Lease shall have been amended, to the extent necessary, so as to increase the Base Rental Payments payable by the County thereunder by an aggregate amount at least sufficient to pay the principal of and interest on such Additional Bonds as the same become due provided, however, that no such amendment shall be made such that Base Rental Payments, including any such amendment, in any year shall be in excess of the annual fair rental value of the Leased Property, and evidence of the satisfaction of this condition shall be made by a Certificate of the County, as required by Section 2.12 hereof; and

Any Additional Bonds shall be on a parity with the Bonds and each Owner thereof shall have the same rights upon an Event of Default as the Owner of any other Bonds executed and delivered under this Indenture, except as otherwise provided in the Supplemental Indenture under which Additional Bonds are executed and delivered.

The Corporation shall cause to be given to each rating agency rating the Bonds notice of any execution and delivery of Additional Bonds.

**SECTION 2.12 Proceedings for Authorization of Additional Bonds.** Whenever the Corporation shall by written request, pursuant to Section 2.11 hereof, request the execution and delivery of any Additional Bonds, the Authority and the Trustee shall enter into a Supplemental



Indenture without the consent of the Owners of any Bonds, providing for the execution and delivery of such Additional Bonds, specifying the maximum principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds.

Such Supplemental Indenture shall prescribe the form or forms of such Additional Bonds and, subject to the provisions of Section 2.11 hereof, shall provide for the distinctive designation, denominations, method of numbering, dates, Principal Payment Dates, interest rates, Interest Payment Dates, provisions for redemption (if desired) and places of payment of principal and interest.

Before such Additional Bonds shall be executed and delivered, the Corporation and the Authority shall file or cause to be filed the following documents with the Trustee:

(a) An Opinion of Counsel (which may rely upon the Certificate of the County required by Section 2.12(c) and such other opinions and certificates as may be appropriate) substantially to the effect (1) that such Counsel has examined the Supplemental Indenture and the amendment, if any, to the Loan Agreement required by Section 2.11(f) that the execution and delivery of the Additional Bonds has been sufficiently and duly authorized by the Authority; (3) that said amendments to the Loan Agreement, when duly executed by the Corporation and the Authority, will be valid and binding obligations of the Corporation and the Authority; (4) that said amendments to the Loan Agreement have been duly authorized, executed and delivered; and (5) that the amendments to the Loan Agreement do not adversely affect the tax-exempt status of interest on by Outstanding Bonds

(b) An Opinion of Counsel (which may rely upon the Certificate of the County required by Section 2.12(c) and such other opinions and certificates as may be appropriate) substantially to the effect (1) that such Counsel has examined the Supplemental Indenture and the amendment, if any, to the Ground Lease and the Facility Lease required by Section 2.11(g) hereof; (2) that said amendments to the Ground Lease and the Facility Lease, when duly executed by the County and the Corporation, will be valid and binding obligations of the County and the Corporation; (4) that said amendments to the Ground Lease and the Facility Lease have been duly authorized, executed and delivered; and (5) that the amendments to the Ground Lease and the Facility Lease do not adversely affect the tax-exempt status of interest on by Outstanding Bonds;

(c) A Certificate of the County as to the annual fair rental value of the Leased Property; which Certificate may assume the timely construction and completion of any Additional Project to be financed with the proceeds of Additional Bonds so long as the proceeds of Additional Bonds or other funds of the County have been deposited with the Trustee (i) in the Project Fund, in an amount reasonably expected to be sufficient to provide for the construction costs of such Additional Project, and (ii) in the Capitalized Interest Account, in an amount sufficient to pay interest on the Additional Bonds for the period of time from their date of issuance until 6 months following the expected delivery date of the certificate of substantial completion or similar evidence of beneficial use and possession with respect to such Additional Project;

(d) Certified copies of the resolutions of the County and the Corporation, authorizing the execution of the amendments to the Ground Lease and Facility Lease required by Section 2.11 hereof;

(e) Certified copies of the resolutions of the Authority and the Corporation, authorizing the execution of the amendments to the Loan Agreement required by Section 2.11 hereof;

(f) An executed counterpart or duly authenticated copy of the amendments to the Loan Agreement, the Ground Lease and Facility Lease required by Section 2.11(f) and (g) hereof;

(g) Certified copies of the policies of insurance required by Article VI of the Facility Lease or certificates thereof, which shall evidence that the amounts of the insurance required under Section 6.03(1) and (2) of the Facility Lease have been increased, if necessary, to cover the amount of such Additional Bonds; and

(h) A CLTA title insurance policy or other appropriate form of policy in the amount of the Additional Bonds of the type and with the endorsements described in Section 6.05 of the Facility Lease.

Upon the delivery to the Trustee of the foregoing instruments so as to permit the execution and delivery of the Additional Bonds in accordance with the Supplemental Indenture then delivered to the Trustee, the Trustee shall authenticate and deliver said Additional Bonds, in the aggregate principal amount specified in such Supplemental Indenture, to, or upon the request of, the Corporation.

### ARTICLE III

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

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

**SECTION 3.02 Application of Proceeds of Series 2017A Bonds and Certain Other Moneys.** (a) The Trustee hereby agrees to establish and maintain hereunder, in trust, the funds described in Article V herein.

(b) The Trustee shall accept a portion of the proceeds received from the sale of the Series 2017A Bonds in the amount of \$\_\_\_\_\_ (consisting of the par amount of the Series 2017A Bonds of \$\_\_\_\_\_, [plus/less an original premium/discount] of \$\_\_\_\_\_, and less an Underwriter's discount of \$\_\_\_\_\_).

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

                      
**Total**

Project Fund  
Costs of Issuance Fund  
Capitalized Interest Account

## ARTICLE IV

### REDEMPTION OF THE BONDS

**SECTION 4.01 Extraordinary Optional Redemption from Insurance and Condemnation Proceeds.** The Series 2017A Bonds are subject to redemption prior to their stated maturity, at the option of the Corporation, as a whole or in part on any date from moneys required to be transferred from the Insurance Proceeds and Condemnation Awards Fund to the Special Redemption Account at a redemption price equal to the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium.

**SECTION 4.02 Optional Redemption.** At the option of the Corporation, the Series 2017A Bonds are subject to optional redemption prior to their respective stated maturities, from any amounts in the Redemption Fund, in whole or in part on any date on or after [June 1, 2027], at a redemption price of par plus accrued interest thereon to the date fixed for redemption, without premium.

**SECTION 4.03 Mandatory Sinking Account Redemption.** The Series 2017A Bonds are also subject to redemption prior to their respective stated maturities in part, by lot, from Mandatory Sinking Account Payments pursuant to Section 5.04(c) hereof. In the event of a redemption pursuant to Sections 4.01 and 4.02 hereof, the Corporation shall provide the Trustee with a revised sinking fund schedule giving effect to the special, optional or mandatory redemption so completed.

**SECTION 4.04 Notice of Redemption.** In connection with the redemption of the Bonds pursuant to Sections 4.01 and 4.02 hereof, or as provided in any Supplemental Indenture, the Corporation shall give notice of redemption to the Trustee (with a copy to the Authority) not less than forty (40) days prior to the redemption date. Notice of redemption of any Bonds shall be given by the Trustee upon such written Request of the Corporation. Notice of any redemption of Bonds shall be mailed postage prepaid, or by any other acceptable electronic means selected by the Trustee, not less than twenty (20) nor more than sixty (60) days prior to the redemption date by first class mail to the respective Holders thereof at the addresses appearing on the bond registration books described in Section 2.07. Each notice of redemption shall contain all of the following information:

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

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

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

**SECTION 4.05 Effect of Notice.** The actual receipt by the Holder of any Bond or any other party of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest, if any, on the date fixed for redemption.

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

**SECTION 4.06 Funds for Redemption.** Prior to or on the redemption date of any Bonds there shall be available in the Redemption Fund, monies for the purpose and sufficient to redeem, at the premiums payable as in this Indenture provided, the Bonds designated in said notice of redemption. Such monies so set aside in the Redemption Fund or in the fund established for such purpose shall be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all monies in the Redemption Fund shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the Redemption Fund, unless otherwise provided for to be paid from a fund established for such purpose. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the Redemption Fund, said monies shall be transferred to the general fund of the County as provided and permitted by law; provided, however, that if said monies are part of the proceeds of refunding bonds, said monies shall be transferred to the fund created for the payment of principal of and interest on such Bonds. If no such refunding bonds are at such time outstanding, said monies shall be transferred to the general fund of the County as provided and permitted by law.

**SECTION 4.07 Selection of Bonds for Redemption.** When any redemption is made pursuant to any of the provisions of this Indenture and less than all of the Outstanding Bonds are to be redeemed, the Trustee shall select the Bonds to be redeemed from the Outstanding Bonds not previously called for redemption, by lot within a maturity and, if from more than one maturity, in such other order of maturity as shall be specified in a Request of the Corporation. In no event shall Bonds be redeemed in amounts other than whole multiples of Authorized Denominations. The Trustee shall promptly notify the Authority and the Corporation in writing of the numbers of the Bonds selected for redemption.

## **ARTICLE V**

### **PLEDGE AND ASSIGNMENT; ESTABLISHMENT AND APPLICATION OF FUNDS AND ACCOUNTS**

**SECTION 5.01 Pledge and Assignment.** (a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, there are hereby pledged to secure the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of this Indenture, all of the Payments and any other amounts (excluding proceeds of the sale of Bonds) held in any fund or account (other than the Rebate Fund) established pursuant to this Indenture. Said pledge shall constitute a lien on and security interest in such assets and shall attach and be valid and binding from and after delivery of the Bonds, without any physical delivery thereof or further act.

(b) The Authority hereby assigns to the Trustee, for the benefit of the Holders from time to time of the Bonds, all of the Payments and other amounts pledged in paragraph (a) of this Section and all of the right, title and interest of the Authority in, to and under the Loan Agreement (except for the Retained Rights). The Trustee shall be entitled to and shall receive all of such assigned Payments, and any such Payments collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be

entitled to and shall (subject to the provisions of this Indenture) take all steps, actions and proceedings following any event of default under the Loan Agreement reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority assigned to the Trustee and all of the obligations of the Corporation under the Loan Agreement.

(c) All Payments, the proceeds of rental interruption insurance, and liquidated damages and delay damages, if any, under Section 7.2(b) and Section 8.13 of the Development Agreement and subject to the terms of Section 6.06 of the Facility Lease, shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the “Revenue Fund” which the Trustee is hereby directed to establish, maintain and hold in trust. All Payments shall be held in trust for the benefit of the Holders from time to time of the Bonds but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes hereinafter in this Article V set forth; provided, however, and notwithstanding the foregoing, if the Trustee receives Payments in an amount in excess of the amount necessary to pay the amount due and owing on the next Interest Payment Date or Principal Payment Date, as the case may be, after giving effect to the funds then on deposit in the Revenue Fund not needed for any other purpose hereunder, then amounts in the Revenue Fund not needed to make such payments may be utilized by the Trustee, as directed in writing by the Corporation, for any other purpose.

(d) The Bonds do not constitute a debt or liability of the State of California, the County or of any political subdivision thereof, other than the Authority, but shall be payable solely from the funds provided therefor. The Authority shall not be obligated to pay the principal of the Bonds, or the redemption premium or interest thereon, except from the funds provided therefor under the Indenture and neither the faith and credit nor the taxing power of the Authority, the State of California, or of any political subdivision thereof, including the County, is pledged to the payment of the principal of or the redemption premium or interest on the Bonds. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State of California, or any political subdivision thereof, including the County, to levy or to pledge any form of taxation or to make any appropriation for their payment. The Authority has no taxing power. Moreover, neither the Authority nor the County shall be liable for any other costs, expenses, losses, damages, claims or actions, in connection with the Loan Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Corporation under the Loan Agreement.

**SECTION 5.02 Allocation of Revenues.** Except as otherwise provided in this Section, the Trustee shall deposit the Payments in the Revenue Fund at the time and in the priority and manner hereinafter provided in the following respective accounts, each of which the Trustee hereby agrees to establish and maintain and hold in trust until all required Payments are paid in full or until such date as the Bonds are no longer Outstanding, and the moneys in each of such accounts shall be disbursed only for the purposes and uses hereinafter authorized. The Trustee shall establish and maintain the Capitalized Interest Account within the Interest Account until the date all amounts are transferred therefrom in accordance with subparagraph (1) of this Section.

(1) The Trustee, on each Interest Payment Date, shall transfer to the Interest Account, the aggregate amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding; *provided, however*, that on each Interest Payment Date occurring on or before the later of [July 15, 2020] or the delivery to the

Trustee of the Certificate of Substantial Completion, before making said deposit, if and to the extent available in the Capitalized Interest Account within the Interest Account, an amount equal to the aggregate amount of interest coming due on such Interest Payment Date, shall be transferred from the Capitalized Interest Account within the Interest Account to the Interest Account. Upon the later of [July 15, 2020] or the delivery to the Trustee of the Certificate of Substantial Completion, the Trustee shall transfer any amounts then remaining in the Capitalized Interest Account to the Interest Account; and

(2) The Trustee, on each Principal Payment Date, shall transfer to the Principal Account, a sufficient amount of money such that the aggregate of amounts therein equal the principal or Mandatory Sinking Account Payment coming due on such Principal Payment Date.

**SECTION 5.03 Application of Interest Account.** All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

**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 or Mandatory Sinking Account Payments of the Bonds, as provided herein with respect to Bonds.

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

Bonds purchased from the Sinking Account or deposited by the Corporation with the Trustee shall be allocated first to the next succeeding Mandatory Sinking Account Payment, then to the remaining Mandatory Sinking Account Payments as the Corporation directs in writing along with a revised sinking fund schedule giving effect to the purchase so completed.

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

(i) Term Bonds maturing on June 1, 20\_\_ that are issued in an initial principal amount of \$\_\_\_\_\_:

Mandatory Redemption Date (June 1,)	Principal Amount
_____	_____

\_\_\_\_\_  
\* Final Maturity

(ii) Term Bonds maturing on June 1, 20\_\_ that are issued in an initial principal amount of \$\_\_\_\_\_:

Mandatory Redemption Date (June 1,)	Principal Amount
_____	_____

\_\_\_\_\_  
\* Final Maturity

**SECTION 5.05 Reserved.**

**SECTION 5.06 Establishment and Application of Redemption Fund.** The Trustee shall establish and maintain a special fund designated as the Redemption Fund. Within the Redemption Fund, the Trustee shall establish separate accounts designated as the Optional Redemption Account and the Special Redemption Account. The Trustee shall accept all moneys



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

**SECTION 5.07 Rebate Fund.** (a) The Trustee shall establish and maintain, when required, a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary to comply with written instructions of the Corporation given pursuant to the terms and conditions of the Tax Certificate. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the federal government of the United States of America. Neither the Authority, the Corporation nor the Holder of any Tax Exempt Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section, by Section 6.09 and by the Tax Certificate (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 Corporation including supplying all necessary information in the manner provided in the Tax Certificate, and shall have no liability or responsibility to enforce compliance by the Corporation or the Authority with the terms of the Tax Certificate or any other tax covenants contained herein. The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report or rebate calculations. The Trustee shall have no independent duty to review such calculations or enforce the compliance by the Corporation with such rebate requirements. The Trustee shall have no duty or obligation to determine the applicability of the Code and shall only be obligated to act in accordance with written instructions provided by the Corporation.

(b) Upon the Corporation's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the Corporation, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the Corporation in accordance with the Tax Certificate. The Trustee shall supply to the Corporation and/or the Authority all necessary information in the manner provided in the Tax Certificate to the extent such information is reasonably available to the Trustee.

(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 funds and accounts created under this Indenture or from other moneys provided to it by the Corporation.

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

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

(f) Notwithstanding any other provision of this Indenture, including in particular Article X, the obligation to remit the Rebate Requirement to the United States and to comply with all other requirements of this Section, Section 6.09 and the Tax Certificate shall survive the defeasance or payment in full of the Tax Exempt Bonds.

**SECTION 5.08 Establishment and Application of Project Fund.** The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Project Fund," and within the Project Fund a separate account designated the "Reimbursement Account." The moneys in the Project Fund and/or the Reimbursement Account shall be disbursed pursuant to Requisitions of the Corporation, which shall be substantially in the form of Exhibit B, signed by an Authorized Representative of the Corporation, payable to the Developer in accordance with an attached Project Application for Payment completed substantially in the form of Exhibit P to the Development Agreement or to such other persons by invoice listed in a schedule to be attached thereto. Each such Requisition of the Corporation shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. The Trustee shall not be required to independently verify and shall not be responsible for information set forth in any Requisition or attachment thereto. Amounts in the Reimbursement Account may be used to pay the Reimbursement Amount and/or costs of the Project. No moneys in the Project Fund shall be used to pay Costs of Issuance.

Upon final completion of the Project, the Corporation shall deliver a Certificate to the Trustee substantially in the form of Exhibit L to the Development Agreement (the "Certificate of Final Completion") and make the final requisition of funds from the Project Fund. Upon such payment, the Project Fund shall be closed.

Upon the delivery to the Trustee of such Certificate of Final Completion, the Trustee shall, pursuant to written instructions from the Corporation, transfer any remaining balance of money in the Project Fund, first, to the Rebate Fund to the extent the amount on deposit therein is less than the Rebate Requirement, and the remainder to a separate subaccount within the Principal Account, which the Trustee shall establish and hold in trust, and which shall be entitled the “Surplus Subaccount.” The moneys in the Surplus Subaccount shall be applied (unless some other application of such moneys would not, in the opinion of Bond Counsel, adversely affect the tax-exempt status of interest on the Tax Exempt Bonds) as directed in writing by the Corporation to pay principal on the Bonds as such principal becomes due and payable, in annual amounts which bear the same ratio to the principal amount of Bonds maturing in such year that the amount deposited in the Surplus Subaccount bears to the original principal amount of Bonds. Notwithstanding Section 6.09 hereof, the moneys in the Surplus Subaccount shall be invested at a yield no higher than the yield on the Outstanding Tax Exempt Bonds (unless, in the opinion of Bond Counsel, investment at a higher yield would not adversely affect the tax-exempt status of interest on the Tax Exempt Bonds), and all such investment income shall be deposited in the Surplus Subaccount and expended or reinvested as provided above.

**SECTION 5.09 Establishment and Application of Costs of Issuance Fund.** The Trustee shall establish, maintain and hold in trust a separate fund designated as the “Costs of Issuance Fund.” Moneys deposited in said fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the Bonds upon Requisition of the Corporation, which shall be substantially in the form of Exhibit C, signed by an Authorized Representative of the Corporation, stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund, and including a copy of the invoice or statement evidencing the costs incurred. Each such Written Requisition of the Corporation shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the one hundred eightieth (180<sup>th</sup>) day following the initial issuance of the Bonds, or upon the earlier Request of the Corporation, amounts, if any, remaining in the Costs of Issuance Fund shall be transferred to the Project Fund and the Costs of Issuance Fund shall be closed.

**SECTION 5.10 Application of Insurance Proceeds and Condemnation Awards.** The Trustee shall not be responsible for the sufficiency of any insurance required by the Facility Lease and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the County or the Corporation. Delivery to the Trustee of the schedule of insurance policies under the Facility Lease shall not confer responsibility upon the Trustee as to the sufficiency of coverage or amounts of such policies.

Except as hereinafter provided, in the event of any damage to or destruction of any part of the Leased Property, caused by the perils covered by the policies of insurance required to be maintained by the County pursuant to Section 6.03 of the Facility Lease, the County and the Corporation shall cause the proceeds of such insurance (other than rental interruption insurance which is to be placed in the Revenue Fund) to be used in accordance with Section 7.01 of the Facility Lease. The Trustee shall hold said proceeds in a separate fund to be established and maintained by the Trustee and designated the “Insurance Proceeds and Condemnation Awards Fund.” The Trustee shall only make disbursements from the Insurance Proceeds and Condemnation Awards Fund upon receipt of a Request of the County on behalf of the Corporation,

which (i) states with respect to each disbursement to be made: (A) the requisition number, (B) the name and address of the person, firm or authority to whom payment is due, (C) the amount to be disbursed, and (D) that each obligation therein has been properly incurred for the purpose of repair, reconstruction or replacement of the Leased Property to at least the same good order, repair and condition as it was in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds and is a proper charge against the Insurance Proceeds and Condemnation Awards Fund and has not been the basis of any previous disbursement; (ii) specifies in reasonable detail the nature of the obligation; and (iii) is accompanied by a bill or statement of account for each obligation. Any balance of said proceeds not required for such repair, reconstruction or replacement as evidenced by a Certificate of the County to the effect that such repair, reconstruction or replacement has been completed and all amounts owing therefor have been paid or provision for the payment therefor has been made shall be transferred by the Trustee to Redemption Fund and applied in the manner provided by Section 4.01(a) hereof. Alternatively, the County, at its option, and if the proceeds of such insurance together with any other moneys then available for the purpose are at least sufficient to prepay all Outstanding Bonds, may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Leased Property and thereupon shall cause said proceeds to be transferred to the Redemption Fund and used for the redemption of Outstanding Bonds pursuant to Section 4.01(a) hereof; provided, that if the County elects to so prepay the Outstanding Bonds, then the County shall make said election within 45 days after the damage to or destruction of the Leased Property. Notwithstanding any other provision herein, the County shall only prepay less than all of the Outstanding Bonds if the annual fair rental value of the Leased Property after such damage, destruction or condemnation is at least equal to the aggregate annual amount of principal and interest of the Outstanding Bonds not being prepaid.

The proceeds of any award in eminent domain shall be transferred by the County to the Trustee for deposit in the Redemption Fund and applied to the redemption of Outstanding Bonds pursuant to Section 4.01(a) hereof.

**SECTION 5.11 Investment of Moneys in Funds and Accounts.** All moneys in any of the funds and accounts or subaccounts thereof established pursuant to this Indenture, shall be invested by the Trustee solely in such Eligible Securities as are specified in a Request of the Corporation, provided, however, that, if the Corporation does not file such a Request with the Trustee, the Trustee shall invest to the extent practicable in investments described in clause (7) of the definition of the term “Eligible Securities” in Section 1.01 of this Indenture; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a Request of the Corporation specifying a specific money market fund and, if no such Request of the Corporation is so received, the Trustee shall hold such moneys uninvested.

All interest, profits and other income received from the investment of moneys shall be deposited in the Revenue Fund; [provided that interest, profits and other income received from the investment of moneys in each of the Capitalized Interest Account and the Project Fund shall be retained therein].

Investments in any and all funds and accounts established pursuant to this Indenture may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in a particular fund amounts received or held by the

Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the particular funds to which they are credited and otherwise as provided in this Indenture. The Trustee may act as principal or agent in the making or disposing of any investment. To the extent Eligible Securities are registrable, such investments shall be registered in the name of the Trustee. The Trustee may sell or present for redemption, any securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such securities are credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

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

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

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

**SECTION 5.12 Additional Payments.** The Trustee shall transfer the Additional Payments constituting the Authority's annual fee, promptly upon receipt thereof to the Authority; provided however, the County or the Corporation, as the case may be, may elect to pay such annual fee directly to the Authority.

## ARTICLE VI

### COVENANTS

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

**SECTION 6.02 Extension of Payment of Bonds.** The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement except with the written consent of the Bondholders and, if the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended without the written consent of the Bondholders, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for

interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

**SECTION 6.03 Encumbrance Upon Payments.** The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Payments and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Act, and reserves the right to issue other obligations for such purposes.

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

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

**SECTION 6.06 Other Covenants; Amendment of the Loan Agreement and the Facility Lease.** (a) Subject to the provisions of this Indenture, the Trustee shall promptly collect all amounts due pursuant to the Loan Agreement and diligently enforce and take all steps, actions and proceedings reasonably necessary for the enforcement of all of the rights of the Authority under the Loan Agreement assigned to it pursuant to Section 5.01(b) hereof.

(b) The Authority shall not amend, modify or terminate any of the terms of the Loan Agreement or the Facility Lease, or consent to any such amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if but only if (1) the Trustee has received written certification to the effect that such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds; provided that, if an Event of Default described in paragraph (a), (b) or (c) of Section 7.01 has occurred and is continuing, the Trustee rather than the Corporation shall make a determination that such amendment or modification will not materially and adversely affect the

interests of the Holders of the Bonds (provided that, in making such determination, the Trustee may conclusively rely on written representations of financial consultants or advisors or the opinion or advice of counsel), or (2) the Holders of a majority in aggregate principal amount of the Bonds then Outstanding consent in writing to such amendment, modification or termination, provided that no such amendment, modification or termination shall reduce the amount of Loan Repayments payable to the Authority, or extend the time for making such payments, without the written consent of all of the Holders of the Bonds then Outstanding.

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

**SECTION 6.08 Continuing Disclosure.** Pursuant to Section 11.06 of the Facility Lease and the Continuing Disclosure Certificate, the County has undertaken all responsibility for compliance with continuing disclosure requirements with respect to the Series 2017A Bonds pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5), and the Authority shall have no liability to the Holders of the Bonds or any other person with respect to Securities and Exchange Commission Rule 15c2-12. The Trustee hereby covenants and agrees that, subject to the provisions of this Indenture, it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate applicable to it in its capacity as the Trustee. Notwithstanding any other provision of this Indenture, failure of the County or the Trustee to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee at the written request of the Underwriter (as defined in the Continuing Disclosure Certificate) or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall (but only to the extent the Trustee has been tendered funds in an amount satisfactory to it or it has been otherwise indemnified from and against any loss, liability, cost or expense, including without limitation, fees and expenses of its counsel and agents and additional fees and charges of the Trustee) or any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under Section 11.06 of the Facility Lease or, as to any Bondholder or Beneficial Owner, to cause the Trustee to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which (1) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (2) is treated as the owner of any Tax Exempt Bonds for federal income tax purposes.

**SECTION 6.09 Tax Covenants.** The covenants of the Authority in this Section 6.09 are made solely in reliance on the representations and covenants of the Corporation set forth in the Loan Agreement and the Tax Certificate and a default by the Corporation with respect thereto shall not be considered a default of the Authority hereunder. The covenants of the Authority in this Section 6.09 are limited to those actions within its control, and further limited to the extent that the costs and expenses of taking such actions are borne by the Corporation or a third party. Subject to the foregoing:

(a) The Authority covenants that it shall not take any action, or fail to take any action, if such action or failure to take such action would result in the interest on the Tax Exempt Bonds not being excluded from gross income for federal income tax purposes under Section 103 of the Code. Without limiting the generality of the foregoing, the Authority covenants that it will comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive the payment in full or the defeasance of the Tax Exempt Bonds.

(b) In the event that at any time the Authority is of the opinion that for purposes of this Section 6.09 it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, and provided that such action shall not conflict with the requirements of the Tax Certificate, the Authority shall so instruct the Trustee in a Request of the Authority (which may be accompanied by a supporting Opinion of Bond Counsel), and the Trustee shall take such action as may be directed in accordance with such instructions.

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

## ARTICLE VII

### EVENTS OF DEFAULT; REMEDIES ON DEFAULT

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

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

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

(c) if default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee, or to the Authority, the Corporation and the Trustee by the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding;

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

**SECTION 7.02 Institution of Legal Proceedings by Trustee.** (a) If one or more of the Events of Default shall occur, the Trustee in its discretion may, and upon the written request of the



Holders of a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, the Trustee shall proceed to protect or enforce its rights or the rights of the holders of Bonds under this Indenture, the Loan Agreement and the Facility Lease, by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein or therein, or in aid of the execution of any power herein or therein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder, provided that any such request from the Bondholders shall not be in conflict with any rule of law or with this Indenture, expose the Trustee to personal liability or be unduly prejudicial to Bondholders not joining therein.

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

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

*First:* To the payment of costs and expenses of collection and reasonable compensation to the Trustee for its own services and for the services of counsel, agents and employees by it properly engaged and employed, and all other expenses and liabilities incurred, and for advances made pursuant to the provisions of this Indenture.

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

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

Whenever all principal of and interest on all Bonds have been paid under the provisions of this Section and all fees, expenses and charges of the Trustee (including without limitation those

of its attorneys) have been paid, any balance remaining in the funds and accounts hereunder shall be paid to the Corporation.

**SECTION 7.04 Effect of Delay or Omission to Pursue Remedy.** No delay or omission of the Trustee or of any Holder of Bonds to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every power and remedy given by this Article VII to the Trustee or to the Holders of Bonds may be exercised from time to time, and as often as shall be deemed expedient. In case the Trustee shall have proceeded to enforce any right under this Indenture, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case the Authority and the Trustee, and the Holders of the Bonds, severally and respectively, shall be restored to their former positions and rights hereunder in respect to the trust estate; and all remedies, rights and powers of the Authority, the Trustee and the Holders of the Bonds shall continue as though no such proceedings had been taken.

**SECTION 7.05 Remedies Cumulative.** No remedy herein conferred upon or reserved to the Trustee or to any Holder of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

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

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

**SECTION 7.08 Power of Trustee to Control Proceedings.** Subject to Section 7.09 hereof, in the event that the Trustee, upon the happening of an Event of Default, shall have taken some action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best

interests of the Holders of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default hereunder, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Holders of at least a majority in aggregate principal amount of the Bonds Outstanding hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

**SECTION 7.09 Limitation on Bondholders' Right to Sue.** Notwithstanding any other provision hereof, no Holder of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Holders of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Holders shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Holders of the Outstanding Bonds.

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

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

## ARTICLE VIII

### THE 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 Indenture. 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 Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Authority may remove the Trustee at any time, after giving Trustee thirty (30) days' notice of such removal, 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 the Corporation (unless an Event of Default shall have occurred and then be continuing) or at any time by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the 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, with the written consent of the Corporation (unless an Event of Default has occurred and is continuing, at which time consent of the Corporation shall not be required) and Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority, and by giving the Bondholders notice of such resignation by mail at the addresses shown on the Bond registration books maintained by the Trustee. Upon receiving such notice of resignation, the Authority shall appoint, with the written consent of the Corporation (unless an Event of Default has occurred and is continuing, at which time consent of the Corporation shall not be required) and Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), a successor Trustee by an instrument in writing.

(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. 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 Bondholder (on behalf of himself and all other Bondholders) 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 Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority 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 Authority 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 conveying to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture 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 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 Authority shall mail a notice of the succession of such Trustee to the trusts hereunder to the Bondholders at the addresses shown on the Bond registration books maintained by the Trustee. If the Authority fails to mail such notice within thirty (30) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under the provisions of this Indenture shall be a national banking association, a trust institution or banking institution having trust powers, doing business and having a principal corporate trust office in California or, if it shall not have a principal corporate trust office in California, having the power under California law to perform all the duties of the Trustee hereunder as evidenced by an opinion of its counsel, having, or if it is a member of a bank holding company system its parent shall have, a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000 and subject to supervision or examination by State or federal authorities. 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.

(f) Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Trustee to liability under any Environmental Law, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action. The term “Environmental Laws” shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto. The term “Hazardous Substances” shall mean any chemical, substance or material classified or designated as hazardous, toxic or radioactive, or other similar term, and now or hereafter regulated under any Environmental Law, including without limitation, asbestos, petroleum and hydrocarbon products. The Trustee shall not be required to take any foreclosure action if the approval of a government regulator shall be a condition precedent to taking such action.

**SECTION 8.02 Merger or Consolidation.** Any company into which any successor 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 successor Trustee, if any, may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of Section 8.01 hereof,

shall be the successor to such successor Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

**SECTION 8.03 Rights of Trustee.** (a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee does not assume any responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Loan Agreement or the Bonds, or incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

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

(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 Bonds 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 Indenture. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

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

(e) The Trustee shall not be deemed to have knowledge of any Event of Default other than an Event of Default under Section 7.01(a) or 7.01(b) hereof unless and until it shall have actual knowledge thereof, or shall have received written notice thereof, at its Principal Corporate Trust Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds or as to the existence of an Event of Default hereunder.

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

(g) The Trustee shall not be bound to ascertain or inquire as to the validity or genuineness of any collateral given to or held by it. The Trustee shall not be responsible for the recording or filing of any document relating to this Indenture or of financing statements (or continuation statements in connection therewith) or of any supplemental instruments or documents

of further assurance as may be required by law in order to perfect the security interests in any collateral given to or held by it.

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

(i) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Corporation shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Corporation whenever a person is to be added or deleted from the listing. If the Corporation elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Corporation understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Corporation shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Corporation and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Corporation. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Corporation agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Corporation; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

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

(k) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be answerable for the acts or omissions of any such attorney, agent, or receiver selected by it with reasonable care.

(l) The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds.

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

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

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

**SECTION 8.04 Right of Trustee to Rely on Documents.** The Trustee shall be protected in acting upon any notice, requisition, 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, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

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

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Authority, and such Certificate shall be full warrant to the Trustee for any action taken or



suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

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

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

**SECTION 8.07 Compliance with Facility Lease.** The Trustee acknowledges it has been authorized and directed by the Corporation (which authorization and direction shall be memorialized in a Certificate of the Corporation delivered not later than the Closing Date) to take such action as is required of the Trustee under the Facility Lease.

## ARTICLE IX

### MODIFICATION OF INDENTURE

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

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

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

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

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

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

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

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

The Trustee shall mail an executed copy of a supplemental indenture authorized by this Section 9.01 and any document related thereto or executed in connection therewith to the Corporation and each Rating Agency then rating the Bonds promptly after execution by the Authority and the Trustee. The Authority shall mail drafts of any such documents to such parties prior to execution thereof.

**SECTION 9.02 Modification with Consent of Bondholders.** With the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding), the Authority and the Trustee may from time to time and at any time, with an Opinion of Bond Counsel to the effect that such amendment or modification will not, in and of itself, cause the interest on the Tax Exempt Bonds to be included as gross income for federal income tax purposes, enter into an indenture or indentures supplemental hereto for the purpose of

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

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

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

The Trustee shall mail an executed copy of such supplemental indenture and any amendment of the Loan Agreement permitted under Section 6.06 hereof to the Corporation, each Rating Agency then rating the Bonds promptly after execution by the Authority, the Trustee, and in the case of the Loan Agreement, the Corporation. The Authority shall mail drafts of any such documents to such parties prior to execution thereof.

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

**SECTION 9.04 Opinion of Counsel as to Supplemental Indenture.** Subject to the provisions of Section 8.04 of this Indenture and the requirement in Sections 9.01 and 9.02 hereof for an Opinion of Bond Counsel, the Trustee and the Authority may receive an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant to the provisions of this

Article IX complies with the requirements of this Article IX and shall have no liability to Holders in excluding any Supplemental Indenture in reliance on an Opinion of Bond Counsel.

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

## ARTICLE X

### DEFEASANCE

**SECTION 10.01 Discharge of Indenture.** (a) Bonds may be paid or caused to be paid in any of the following ways, provided any other sums payable hereunder have also been paid or caused to be paid:

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

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

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

(b) If all Bonds then Outstanding are paid or caused to be paid as provided above and all other sums payable hereunder shall also be paid or caused to be paid, then and in that case, at the election of the Corporation (evidenced by a Certificate of the Corporation, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of Payments made under this Indenture and all covenants, agreements and other obligations of the Authority under this Indenture shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 10.02 hereof. In such event, upon request of the Corporation, the Trustee shall cause an accounting for such period or periods as may be requested by the Corporation to be prepared and filed with the Corporation and shall execute and deliver to the Corporation all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the Corporation all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment of Bonds not theretofore surrendered for such payment and which are not required for the payment of fees and expenses of the Trustee.

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

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

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

(a) lawful money of the United States of America; or

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

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

**SECTION 10.04 Payment of Bonds after Discharge of Indenture.** Notwithstanding any provision of this Indenture, and subject to applicable escheat laws, any moneys held by the Trustee in trust for the payment of the principal of or interest on any Bonds and remaining unclaimed for one year after the principal of all the Outstanding Bonds has become due and payable (whether at maturity or by declaration as provided in this Indenture), if such moneys were

so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the Corporation free from the trusts created by this Indenture, 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 Corporation as aforesaid, the Trustee may (at the cost of the Corporation) first mail to the Holders of Bonds which have not yet been paid, at the addresses shown on the registration books maintained by the Trustee, a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Corporation of the moneys held for the payment thereof.

## ARTICLE XI

### MISCELLANEOUS

**SECTION 11.01 Non-Liability of Authority.** Authority shall not be obligated to pay the principal (or redemption price) of or interest on the Bonds, except from Payments and other moneys and assets received by the Trustee pursuant to the Loan Agreement. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof (including the County), nor the faith and credit of the Authority is pledged to the payment of the principal (or redemption price) of or interest on the Bonds. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Loan Agreement, the Bonds or this Indenture, except only to the extent amounts are received for the payment thereof from the Corporation under the Loan Agreement.

The Trustee hereby acknowledges that the Authority's sole source of moneys to repay the Bonds will be provided by the payments made by the Corporation to the Trustee pursuant to the Loan Agreement, together with investment income on certain funds and accounts held by the Trustee under this Indenture, and hereby agrees that if the payments to be made under the Loan Agreement shall ever prove insufficient to pay all principal (or redemption price) and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then the Trustee shall give notice to the Corporation in accordance with Section 7.01 of this Indenture to pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or redemption price) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Corporation, the Authority or any third party, subject to any right of reimbursement from the Trustee, the Authority or any such third party, as the case may be, therefor.

THE BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA, THE COUNTY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. THE AUTHORITY SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA, THE COUNTY OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THE BONDS. THE

ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA, THE COUNTY OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. MOREOVER (A) NEITHER THE AUTHORITY NOR THE CORPORATION SHALL BE LIABLE FOR ANY OTHER COSTS, EXPENSES, LOSSES, DAMAGES, CLAIMS OR ACTIONS, IN CONNECTION WITH THE LOAN AGREEMENT, THE BONDS OR THE INDENTURE, EXCEPT ONLY TO THE EXTENT AMOUNTS ARE RECEIVED FOR THE PAYMENT THEREOF FROM THE CORPORATION UNDER THE LOAN AGREEMENT AND (B) THE COUNTY SHALL NOT BE LIABLE FOR ANY OTHER COSTS, EXPENSES, LOSSES, DAMAGES, CLAIMS OR ACTIONS, IN CONNECTION WITH THE GROUND LEASE AND THE FACILITY LEASE, EXCEPT ONLY TO THE EXTENT AMOUNTS ARE RECEIVED FOR THE PAYMENT THEREOF FROM THE COUNTY UNDER THE GROUND LEASE AND THE FACILITY LEASE.

**SECTION 11.02 Successor Is Deemed Included in All References to Predecessor.**

Whenever in this Indenture either the Authority 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 Indenture contained by or on behalf of the Authority 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, Corporation and Bondholders.**

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

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

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

**SECTION 11.06 Severability of Invalid Provisions.** If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

The Authority hereby declares that it would have entered into this Indenture and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

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

As to the Authority: California Municipal Finance Authority  
2111 Palomar Airport Road, Suite 320  
Carlsbad, California 92011  
Attention: Financial Advisor  
Telephone: (760) 930-1221  
Email: jstoecker@cmfa-ca.com  
*With a copy to:*  
Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, CA  
Attention: Ron Lee  
Telephone: (415) 391-5780  
Email: rlee@joneshall.com

As to the Corporation: Capital Facilities Development Corporation  
333 W. Santa Ana Boulevard  
Santa Ana, CA 92701  
Attention: Public Finance Director

As to the County: County of Orange  
333 W. Santa Ana Boulevard  
Santa Ana, CA 92701  
Attention: Public Finance Director

As to Trustee: Zions Bank, a Division of ZB, National Association  
550 South Hope Street, Suite 2650  
Los Angeles, CA 90071  
Attention: Corporate Trust Services  
Telephone: \_\_\_\_\_  
Email: \_\_\_\_\_



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

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

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

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

**SECTION 11.09 Disqualified Bonds.** In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Authority or the Corporation or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Corporation shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Corporation. 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 of the Trustee, the Authority and the Corporation shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

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

**SECTION 11.11 Funds and Accounts.** Any fund required by this Indenture to be established and maintained by the 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 customary standards of the corporate trust industry, to the extent practicable, and with due regard for the requirements of Sections 5.07 and 6.09 hereof (and the Tax Certificate) and for the protection of the security of the Bonds and the rights of every Holder thereof.

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

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

**SECTION 11.14 Governing Law; Venue.** This Indenture shall be construed in accordance with and governed by the laws of the State applicable to contracts made and performed in the State. This Indenture shall be enforceable in the State, and any action arising hereunder shall (unless waived by the Authority in writing) be filed and maintained in the Superior Court of California, County of San Diego.

**SECTION 11.15 Complete Agreement.** This Indenture represents the complete agreement between the parties with respect to the Bonds and related matters.

**SECTION 11.16 Action to be Taken on Days Other Than Business Days.** Except as otherwise provided herein, whenever this Indenture requires any action to be taken on a day which is not a Business Day, such action shall be taken on the next succeeding Business Day with the same force and effect as if taken on such day. If any payment is made on the next Business Day as aforesaid, No interest shall accrue for the intervening period.

**IN WITNESS WHEREOF**, the CALIFORNIA MUNICIPAL FINANCE AUTHORITY has caused this Indenture to be signed in its name by its authorized signatory and ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its name by a deputy hereunto duly authorized, all as of the day and year first above written.

**CALIFORNIA MUNICIPAL FINANCE  
AUTHORITY**

By: \_\_\_\_\_  
Authorized Signatory

**ZIONS BANK, A DIVISION OF ZB,  
NATIONAL ASSOCIATION**  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

*[Signature Page to Indenture – Lease Revenue Bonds, Series 2017A  
(Orange County Civic Center)]*

**EXHIBIT A**

**FORM OF BONDS**

**[FORM OF 2017A BOND]**

**THE BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA, THE COUNTY OF ORANGE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. THE AUTHORITY SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA, THE COUNTY OF ORANGE OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THE BONDS. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA, THE COUNTY OF ORANGE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. MOREOVER (A) NEITHER THE AUTHORITY NOR THE CORPORATION SHALL BE LIABLE FOR ANY OTHER COSTS, EXPENSES, LOSSES, DAMAGES, CLAIMS OR ACTIONS, IN CONNECTION WITH THE LOAN AGREEMENT, THE BONDS OR THE INDENTURE, EXCEPT ONLY TO THE EXTENT AMOUNTS ARE RECEIVED FOR THE PAYMENT THEREOF FROM THE CORPORATION UNDER THE LOAN AGREEMENT AND (B) THE COUNTY SHALL NOT BE LIABLE FOR ANY OTHER COSTS, EXPENSES, LOSSES, DAMAGES, CLAIMS OR ACTIONS, IN CONNECTION WITH THE GROUND LEASE AND THE FACILITY LEASE, EXCEPT ONLY TO THE EXTENT AMOUNTS ARE RECEIVED FOR THE PAYMENT THEREOF FROM THE COUNTY UNDER THE GROUND LEASE AND THE FACILITY LEASE**

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED

REGISTERED

No. RA-\_\_

\$\_\_\_\_\_

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
 LEASE REVENUE BONDS, SERIES \_\_\_\_  
 (ORANGE COUNTY CIVIC CENTER  
 INFRASTRUCTURE IMPROVEMENT PROGRAM – PHASE \_\_)**

<b>Rate of Interest:</b> ____%	<b>Maturity Date:</b> June 1, 20__	<b>Dated Date:</b> _____, 2017	<b>CUSIP:</b> _____
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**Registered Owner:** Cede & Co.

**Principal Amount:** \_\_\_\_\_ DOLLARS

CALIFORNIA MUNICIPAL FINANCE AUTHORITY, a public entity organized under the laws of the State of California (the “Authority”), for value received, hereby promises to pay (but only out of the Payments and other assets pledged therefor as hereinafter mentioned) to CEDE & CO. or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned), the principal sum set forth above in lawful money of the United States of America; and to pay interest thereon (but only from said Payments and other assets pledged therefor) in like lawful money from the date hereof until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the rate stated above, payable on June 1 and December 1 of each year, \_\_\_\_\_ 1, 201\_\_\_. The principal (or redemption price) hereof is payable at the Principal Corporate Trust Office (as defined in the Indenture) of Zions Bank, a Division of ZB, National Association in Los Angeles, California (together with any successor trustee as provided in the Indenture, as defined below, the “Trustee”). Interest hereon is payable by check mailed on each interest payment date to the registered owner hereof as of the fifteenth day of the month immediately preceding the month in which such interest payment date occurs (except with respect to defaulted interest) (the “Record Date”) at the address appearing on the bond registration books maintained by the Trustee; provided, however, that the holder of \$1,000,000 or more in aggregate principal amount of Bonds may be paid by wire transfer to an account within the United States of America upon written request filed with the Trustee at least one Business Day before the Record Date for the applicable interest payment date.

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

any thereof except to the extent payable from certain Payments set forth in the Indenture or other amounts available therefor under and pursuant to the Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes of the Indenture any funds of the Authority which may be made available to it for such purposes. The Bonds are not a debt of the State of California and said State is not liable for payment thereof.

This Bond is entitled “California Municipal Finance Authority Lease Revenue Bonds, Series 2017A (Orange County Civic Center Infrastructure Improvement Program – Phase I) Series 2017A” (herein called the “Bonds”), limited in aggregate principal amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_) and issued pursuant to the provisions of the Joint Exercise of Powers Act (constituting Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented) (herein called the “Act”) and an indenture, dated as of [DATED DATE], between the Authority and the Trustee (herein called the “Indenture”). The Bonds are issued for the purpose of (i) funding the loan to Capital Facilities Development Corporation, a California nonprofit public benefit corporation (the “Corporation”), pursuant to the Loan Agreement, dated as of [DATED DATE] (herein called the “Loan Agreement”), between the Authority and the Corporation, for the purposes and on the terms and conditions set forth therein, (ii) paying capitalized interest on the Bonds, and (iii) paying certain expenses incurred in connection with the issuance of the Bonds. Proceeds of the loan will be used by the Corporation for the acquisition, construction, improvement and equipping of certain public facilities for the County of Orange (the “Project”), as more particularly described in the Indenture.

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

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

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

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

This Bond is transferable by the registered owner hereof, in person or by such person's attorney duly authorized in writing, at the Principal Corporate Trust Office, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a Bond or Bonds, of authorized denomination or denominations and for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

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

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

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

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

**IN WITNESS WHEREOF**, the California Municipal Finance Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signature of a member of its board of directors, all as of the Dated Date recited above.

**CALIFORNIA MUNICIPAL FINANCE  
AUTHORITY**

By: \_\_\_\_\_  
Member, Board of Directors



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

This is one of the Bonds described in the within-mentioned Indenture which has been authenticated and registered this \_\_\_\_\_.

**ZIONS BANK, A DIVISION OF ZB,  
NATIONAL ASSOCIATION**  
as Trustee

By \_\_\_\_\_  
Authorized Officer

**ASSIGNMENT**

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

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

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

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

Signature Guaranteed By: \_\_\_\_\_

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

**EXHIBIT B**

**FORM OF REQUISITION FROM THE  
PROJECT FUND/REIMBURSEMENT ACCOUNT**

The undersigned authorized representative of Capital Facilities Development Corporation, a California nonprofit public benefit corporation (the “Corporation”) hereby requests Zions Bank, a Division of ZB, National Association, as trustee (the “Trustee”) under that certain Indenture, dated as of [DATED DATE] (the “Indenture”), between the California Municipal Finance Authority and the Trustee, to pay to the Developer (as defined in the Indenture) in accordance with the attached Project Application for Payment completed substantially in the form of Exhibit N to the Development Agreement, the amount(s) shown for the purposes indicated from the [Project Fund/Reimbursement Account] established and maintained under the Indenture.

The Corporation hereby certifies that (a) obligations in amounts stated in this Requisition have been incurred in connection with the Project and are presently due and payable and each item is a proper charge against the [Project Fund/Reimbursement Account] and has not been previously paid from the [Project Fund/Reimbursement Account]; (b) there has not been filed with or served upon the Corporation any notice of claim of lien, or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the persons named in this Requisition, that has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law; (c) no Event of Default has occurred under the Loan Agreement; and (d) this draw request meets the requirements of the Loan Agreement.

All payments shall be made by check or wire transfer in accordance with payment instructions contained in the attached [Project Application for Payment] and the Trustee shall have no duty or obligation to authenticate such payment instructions or the authorization thereof.

Capitalized terms used in this Requisition but not defined shall have the meanings assigned to such terms in Section 1.01 of the Indenture

Dated: \_\_\_\_\_

CAPITAL FACILITIES DEVELOPMENT  
CORPORATION

By: \_\_\_\_\_  
Authorized Corporation Representative

**APPLICATION AND CERTIFICATION FOR PAYMENT**  
 TO CORPORATION:  
**Capital Facilities Development Corporation**

**AIA DOCUMENT G702**  
 APPLICATION NO:

FROM DEVELOPER:  
 Santa Ana, CA  
**Griffin Structures, Inc.**  
 2 Technology Drive  
 Irvine, CA 92618

VIA ARCHITECT:  
 Development Management Services

Distribution to:  
 CORPORATION  
 ARCHITECT  
 DEVELOPER  
 CMAR

PERIOD TO:  
 PROJECT NOS:  
 CONTRACT DATE:

CONTRACT FOR: \_\_\_\_\_

**DEVELOPER'S APPLICATION FOR PAYMENT**

The undersigned Developer certifies that to the best of the Developer's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Developer for Work for which previous Certificates for Payment were issued and payments received from the Corporation and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM \$ \_\_\_\_\_
2. Net change by Change Orders \$ 0.00
3. CONTRACT SUM TO DATE (Line 1 ± 2) \$ 0.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 0.00

5. RETAINAGE:
  - a. \_\_\_\_\_ % of Completed Work \$ 0.00  
 (Column D + E on G703)
  - b. \_\_\_\_\_ % of Stored Material \$ \_\_\_\_\_  
 (Column F on G703)  
 Total Retainage (Lines 5a + 5b or

Total in Column I of G703) \$ 0.00

6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total) \$ 0.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ \_\_\_\_\_
8. CURRENT PAYMENT DUE \$ 0.00
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 0.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Corporation		
Total approved this Month	\$0.00	\$0.00
<b>TOTALS</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>NET CHANGES by Change Order</b>	<b>\$0.00</b>	

**CORPORATION'S CERTIFICATE FOR PAYMENT**

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Corporation certifies to the Trustee that to the best of the Corporation's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Developer is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... \$ \_\_\_\_\_

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

By: \_\_\_\_\_ Date: \_\_\_\_\_

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Developer named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Corporation or Developer under this Contract.

# CONTINUATION SHEET

AIA DOCUMENT G703

PAGE OF PAGES

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

Developer's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO:

APPLICATION DATE:

PERIOD TO:

PROJECT NO:

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D.O.R.E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H % (G ÷ C)	I BALANCE TO FINISH (C - G)	J RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)							
	<i>(Fill in &amp; break down contract values)</i>									
	<i>(Add any change order(s) descriptions)</i>									
	<b>GRAND TOTALS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00

**EXHIBIT C**

**FORM OF REQUISITION FROM THE COSTS OF ISSUANCE FUND**

The undersigned authorized representative of Capital Facilities Development Corporation, a California nonprofit public benefit corporation (the “Corporation”) hereby requests Zions Bank, a Division of ZB, National Association, as trustee (the “Trustee”) under that certain Indenture, dated as of [DATED DATE], between the California Municipal Finance Authority and the Trustee, to pay to the Persons listed on Schedule I attached hereto, the amounts shown for the purposes indicated from the Costs of Issuance Fund established and maintained under the Indenture.

The Corporation hereby certifies that (a) obligations in amounts stated in this Requisition have been incurred to pay the Costs of Issuance of the Bonds and are presently due and payable and each item is a proper charge against the Costs of Issuance Fund and has not been previously paid from the Costs of Issuance Fund; (b) a statement or invoice for each amount requested hereunder is attached hereto.

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

Capitalized terms used in this Requisition but not defined shall have the meanings assigned to such terms in Section 1.01 of the Indenture

Dated: \_\_\_\_\_

CAPITAL FACILITIES DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Authorized Corporation Representative

**Schedule I**

**(COSTS OF ISSUANCE FUND REQUISITION)**

<b><u>Item #</u></b>	<b><u>Name/Address</u></b>	<b><u>Amount</u></b>	<b><u>Purpose</u></b>
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