

EIGHTH SUPPLEMENTAL TRUST AGREEMENT

between

COUNTY OF ORANGE

and

U.S. BANK NATIONAL ASSOCIATION,

as Successor Trustee

Dated as of January 1, 2018

Relating to

County of Orange  
Taxable Pension Obligation Bonds,  
2018 Series A

(Supplementing the Trust Agreement  
dated as of January 1, 2007)

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THIS EIGHTH SUPPLEMENTAL TRUST AGREEMENT, dated as of January 1, 2018 (this “Eighth Supplemental Trust Agreement”), by and between the COUNTY OF ORANGE (the “County”), a political subdivision, duly organized and existing under the Constitution and laws of the State of California, and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as successor trustee (the “Trustee”);

W I T N E S S E T H:

WHEREAS, this Eighth Supplemental Trust Agreement is supplemental to the Trust Agreement (the “Original Trust Agreement”), dated as of January 1, 2007 (the Original Trust Agreement, as supplemented by the First Supplemental Trust Agreement, dated as of March 1, 2011, the Second Supplemental Trust Agreement, dated as of January 1, 2012, the Third Supplemental Trust Agreement, dated as of January 1, 2013, the Fourth Supplemental Trust Agreement, dated as of January 1, 2014, the Fifth Supplemental Trust Agreement, dated as of January 1, 2015, the Sixth Supplemental Trust Agreement, dated as of January 1, 2016, the Seventh Supplemental Trust Agreement, dated as of January 1, 2017 and this Eighth Supplemental Trust Agreement ( as it may from time to time be further supplemented or amended pursuant to the provisions thereof, the “Trust Agreement”), between the County and the Trustee; and

WHEREAS, the County is obligated by the County Employees Retirement Law of 1937, Chapter 3 of the Government Code of the State of California, Sections 31450 through 31898, inclusive, as amended (the “Retirement Law”), to make payments to the Orange County Employees Retirement System (the “System”) relating to pension benefits accruing to County employees and payable to retirees who are members of the System; and

WHEREAS, the County has determined to issue a Pension Obligation Debenture, Series 2018 (the “2018 Debenture”) in the amount of \$\_\_\_\_\_ (and subject to prepayment on or before January 16, 2018 at a prepayment amount of \$\_\_\_\_\_) in favor of the System, evidencing the County’s obligation under the Retirement Law to pay a portion of the County’s annual contribution to the System for Fiscal Year 2018-2019; and

WHEREAS, the County is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California (the “Act”) to issue bonds for the purpose of refunding any evidence of indebtedness of the County; and

WHEREAS, pursuant to Article III of the Original Trust Agreement, the County may issue Additional Bonds; and

WHEREAS, the County has determined that it is in the County’s best interests to issue its Taxable Pension Obligation Bonds, 2018 Series A in the aggregate principal amount of \$\_\_\_\_\_ (the “2018 Series A Bonds”) for the purpose of refunding the County’s obligations to the System evidenced by the 2018 Debenture and to pay costs of issuing the 2018 Series A Bonds; and

:

WHEREAS, the County has determined that the consummation of the transactions contemplated in this Eighth Supplemental Trust Agreement will result in significant public benefits; and

WHEREAS, in order to provide for the authentication and delivery of the 2018 Series A Bonds, to establish and declare the terms and conditions upon which the 2018 Series A Bonds are to be issued under the Trust Agreement, and to secure the payment of the principal thereof and interest thereon, the County has authorized the execution and delivery of this Eighth Supplemental Trust Agreement and all documents and instruments related to the issuance of the 2018 Series A Bonds; and

WHEREAS, the County hereby determines that all acts and proceedings required by law to make the 2018 Series A Bonds, when executed by the County, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the County payable in accordance with their terms, and to constitute this Eighth Supplemental Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth, have been done and taken, and have been in all respects duly authorized;

NOW, THEREFORE, THIS EIGHTH SUPPLEMENTAL TRUST AGREEMENT WITNESSETH, that in order to secure the full and timely payment of the principal of and interest on all 2018 Series A Bonds at any time issued and outstanding under the Trust Agreement, 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 2018 Series A 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 2018 Series A Bonds by the Owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the County does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

## **ARTICLE I**

### **DEFINITIONS**

**Section 1.01. Definitions for 2018 Series A Bonds.** The following definitions shall apply only to the 2018 Series A Bonds.

#### Costs of Issuance Fund (2018 Series A Bonds)

The term “Costs of Issuance Fund (2018 Series A Bonds)” means the fund by that name established pursuant to Section 2.07.

#### Eighth Supplemental Trust Agreement

The term “Eighth Supplemental Trust Agreement” means this Eighth Supplemental Trust Agreement, dated as of January 1, 2018, by and between the County and the Trustee, executed and delivered in accordance with the Original Trust Agreement and which is supplemental to the Original Trust Agreement.

Interest Payment Dates

The term “Interest Payment Dates” for the 2018 Series A Bonds means the dates for the payment of interest set forth in Section 2.02 hereof.

Record Date

The term “Record Date” means the fifteenth day of the month preceding each Interest Payment Date.

2018 Series A Bonds

The term “2018 Series A Bonds” means the County of Orange Taxable Pension Obligation Bonds, 2018 Series A.

**ARTICLE II****2018 SERIES A BONDS**

**Section 2.01. Authorization and Purpose of 2018 Series A Bonds.** The County has reviewed all proceedings heretofore taken relative to the authorization of the 2018 Series A Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the 2018 Series A Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the County is now duly authorized, pursuant to each and every requirement of the Act, to issue the 2018 Series A Bonds in the form and manner and for the purpose provided herein and that the 2018 Series A Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

The obligations of the County under the 2018 Series A Bonds, including the obligation to make all payments of interest and principal when due, are absolute and unconditional obligations, without any right of set-off or counterclaim. The 2018 Series A Bonds do not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation.

**Section 2.02. Terms of the 2018 Series A Bonds.** The 2018 Series A Bonds shall be designated “County of Orange Taxable Pension Obligation Bonds, 2018 Series A” and shall be in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_). The 2018 Series A Bonds shall be issued as “Standard Bonds” under the Trust Agreement.

The 2018 Series A Bonds shall be dated the date of original delivery, shall be issued only in fully registered form in denominations of two hundred fifty thousand dollars (\$250,000) or any integral multiple of one thousand dollars (\$1,000) in excess thereof (not exceeding the principal amount of 2018 Series A Bonds maturing at any one time), shall be numbered consecutively from 1 upwards with the prefix R preceding each number, and shall mature on the dates and in the principal amounts, pay interest on the dates, and bear interest at the rates as set forth in the following schedule:

<b>Maturity Dates</b>	<b>Principal Amount</b>	<b>Interest Payment Dates</b>	<b>Interest Rate</b>
July 31, 2018		Maturity	
October 31, 2018		July 31, 2018 and Maturity	
January 31, 2019		July 31, 2018 and Maturity	
April 30, 2019		July 31, 2018, January 31, 2019 and Maturity	

The principal of the 2018 Series A Bonds shall be payable in lawful money of the United States of America at the corporate trust office of the Trustee in Saint Paul, Minnesota or such other place as designated by the Trustee. The 2018 Series A Bonds shall bear interest at the rates set forth above, payable on the Interest Payment Dates set forth above. Interest on the 2018 Series A Bonds shall be computed using a year of 360 days consisting of twelve 30-day months.

The 2018 Series A Bonds shall not be subject to redemption.

**Section 2.03. Form of 2018 Series A Bonds.** The 2018 Series A Bonds and the authentication endorsement and assignment to appear thereon shall be substantially in the form set forth in Exhibit A hereto and by this reference herein incorporated.

**Section 2.04. Transfer and Exchange of 2018 Series A Bonds.** The terms and provisions of Sections 2.06 and 2.07 of the Original Trust Agreement shall apply to the 2018 Series A Bonds.

**Section 2.05. Bond Registration Books.** The terms and provisions of Section 2.08 of the Original Trust Agreement shall apply to the 2018 Series A Bonds.

**Section 2.06. Mutilated, Destroyed, Stolen or Lost Bonds.** The terms and provisions of Section 2.09 of the Original Trust Agreement shall apply to the 2018 Series A Bonds.

**Section 2.07. Procedure for the Issuance of 2018 Series A Bonds; Application of 2018 Series A Bond Proceeds.** At any time after the sale of the 2018 Series A Bonds in accordance with the Act, the County shall execute the 2018 Series A Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the 2018 Series A Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the County and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the 2018 Series A Bonds from the purchaser thereof, the Trustee shall set aside and deposit the proceeds received from such sale in the following respective accounts or funds or with the following respective persons, in the following order of priority:

(a) The Trustee shall deposit \$\_\_\_\_\_ of the 2018 Series A Bond proceeds in the Refunding Fund, which fund is hereby established by the Trustee. The Trustee may establish additional funds and accounts or subaccounts under the Trust Agreement. On the Closing Date for the 2018 Series A Bonds, the Trustee shall promptly transfer all amounts in the Refunding Fund to the System and the Trustee shall close the Refunding Fund.

(b) The Trustee shall deposit \$\_\_\_\_\_ in the Costs of Issuance Fund (2018 Series A Bonds), which fund is hereby created and which fund the Trustee hereby agrees to maintain. All money in the Costs of Issuance Fund (2018 Series A Bonds) shall be used and withdrawn by the Trustee to pay or reimburse the Costs of Issuance of the 2018 Series A Bonds upon receipt of a Written Request of the County filed with the Trustee, each of which shall be sequentially numbered and shall state 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. Any moneys remaining in the Costs of Issuance Fund (2018 Series A Bonds) on August 1, 2018 shall be applied by the Trustee to pay interest on the 2018 Series A Bonds and the Trustee shall close the Costs of Issuance Fund (2018 Series A Bonds).

**Section 2.08. Validity of Bonds.** The recital contained in the 2018 Series A Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all 2018 Series A Bonds shall be incontestable from and after their issuance.

### ARTICLE III

#### MISCELLANEOUS PROVISIONS

**Section 3.01. [Intentionally Left Blank].**

**Section 3.02. Terms of 2018 Series A Bonds Subject to the Trust Agreement.** Except as expressly provided in this Eighth Supplemental Trust Agreement, every term and condition contained in the Trust Agreement shall apply to this Eighth Supplemental Trust Agreement and to the 2018 Series A Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Eighth Supplemental Trust Agreement.

This Eighth Supplemental Trust Agreement and all the terms and provisions herein contained shall form part of the Trust Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Trust Agreement. The Trust Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

**Section 3.03. Execution in Counterparts.** This Eighth Supplemental Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

**Section 3.04. Notices.** (a) All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the County: County of Orange  
Attention: Public Finance Director  
Hall of Administration  
333 West Santa Ana Blvd., 3<sup>rd</sup> Floor  
Santa Ana, CA 92701

If to the Trustee: U.S. Bank National Association  
633 West Fifth Street, 24th Floor  
Los Angeles, CA 90071  
Attention: Global Corporate Trust Services

**Section 3.05. Effective Date of Eighth Supplemental Trust Agreement.** This Eighth Supplemental Trust Agreement shall take effect upon its execution and delivery.

IN WITNESS WHEREOF, the parties hereto have executed this Eighth Supplemental Trust Agreement by their officers thereunto duly authorized as of the day and year first written above.

COUNTY OF ORANGE

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

U.S. BANK NATIONAL ASSOCIATION, as  
Successor Trustee

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



**EXHIBIT A****FORM OF BOND**

**COUNTY OF ORANGE  
TAXABLE PENSION OBLIGATION BONDS  
2018 SERIES A**

No. R-\_\_\_\_\_

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

THE OBLIGATIONS OF THE COUNTY OF ORANGE HEREUNDER, INCLUDING THE OBLIGATION TO MAKE ALL PAYMENTS OF INTEREST AND PRINCIPAL WHEN DUE, ARE ABSOLUTE AND UNCONDITIONAL, WITHOUT ANY RIGHT OF SET-OFF OR COUNTER CLAIM. THIS BOND DOES NOT CONSTITUTE AN OBLIGATION OF THE COUNTY OF ORANGE FOR WHICH THE COUNTY OF ORANGE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY OF ORANGE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE COUNTY OF ORANGE TO MAKE PAYMENTS ON THE BONDS CONSTITUTE AN INDEBTEDNESS OF THE COUNTY OF ORANGE, THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Interest <u>Rate</u>	Maturity <u>Date</u>	Original <u>Issue Date</u>	<u>CUSIP</u>
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REGISTERED OWNER:

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

The County of Orange, duly organized and validly existing under and pursuant to the Constitution and laws of the State of California (the "County"), for value received hereby, promises to pay to the registered owner identified above or registered assigns, on the maturity date specified above the principal sum specified above, together with interest on such principal sum from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated as of an Interest Payment Date or during the period from the sixteenth day of the month preceding an Interest Payment Date to such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated prior to the first Record Date (as such term is defined in the Trust Agreement), in which event it shall bear interest from the original issue date

specified above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on the dates set forth in the Trust Agreement (each an "Interest Payment Date"). Interest due on or before the maturity of this Bond shall be payable only by check mailed on the Interest Payment Date by first-class mail to the registered owner hereof; provided that upon the written request of a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds received by the Trustee (as hereinafter defined) prior to the applicable record date, interest shall be paid by wire transfer in immediately available funds. The principal hereof is payable in lawful money of the United States of America at the Corporate Trust Office of U.S. Bank National Association, as successor trustee (the "Trustee").

This Bond is one of a duly authorized issue of bonds of the County designated as its "Taxable Pension Obligation Bonds, 2018 Series A" (the "Bonds") in aggregate principal amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_), all of like tenor and date (except for variations relating to numbers, maturities and interest rates), and is issued under and pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California and all laws amendatory thereof or supplemental thereto (the "Act") and under and pursuant to the provisions of a trust agreement, dated as of January 1, 2007, as heretofore supplemented and as such may be supplemented from time to time (the "Trust Agreement"), between the County and the Trustee (copies of which are on file at the Corporate Trust Office of the Trustee). The Bonds and Additional Bonds may be issued as Standard Bonds, Capital Appreciation Bonds, Listed Securities, Auction Rate Securities, Index Bonds, Convertible Capital Appreciation Index Bonds, Convertible Capital Appreciation Bonds and Bonds with other Modes as set forth in a Supplemental Trust Agreement; this Bond is a Standard Bond.

Under the Trust Agreement, Additional Bonds and other obligations may be issued, but subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement. Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the County and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

This Bond is not subject to redemption.

This Bond is transferable only on a register to be kept for that purpose at the above-mentioned office of the Trustee by the registered owner hereof in person or by his duly authorized attorney upon payment of the charges provided in the Trust Agreement and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount of authorized denominations will be issued to the transferee in exchange therefor. The County and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this

Bond shall be overdue, and neither the County nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been executed and dated by the Trustee.

It is hereby certified that all acts, conditions and things required by law 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 law and that the amount of this Bond, together with all other indebtedness of the County, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement.

IN WITNESS WHEREOF, the COUNTY OF ORANGE has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chairman of the Board of Supervisors of the County of Orange and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Supervisors of the County of Orange, and has caused this Bond to be dated as of the original issue date specified above.

COUNTY OF ORANGE

By \_\_\_\_\_  
Chairman of the Board

Countersigned

\_\_\_\_\_  
Clerk of the Board

**[FORM OF CERTIFICATE OF AUTHENTICATION]**

This is one of the Bonds described in the within-mentioned Trust Agreement which has been authenticated on \_\_\_\_\_, 2018.

U.S. BANK NATIONAL ASSOCIATION, as  
Successor Trustee

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

**[FORM OF ASSIGNMENT]**

For value received the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (Taxpayer Identification Number: \_\_\_\_\_) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

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

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

Notice: Signature must be guaranteed by an eligible guarantor institution.

**EXHIBIT B**

**FORM OF WRITTEN REQUEST (COSTS OF ISSUANCE)**

**REQUISITION NO. 1 - COSTS OF ISSUANCE FUND**

To: U.S. Bank National Association, as Successor Trustee  
Los Angeles, CA

Re: County of Orange  
Taxable Pension Obligation Bonds, 2018 Series A

Pursuant to Section 2.11 of the Trust Agreement, dated as of January 1, 2007 as heretofore supplemented and as further supplemented by the Eighth Supplemental Trust Agreement, dated as of January 1, 2018 (collectively, the "Trust Agreement"), between the County of Orange and U.S. Bank National Association, as successor trustee, you are hereby authorized and directed to pay the following amounts to the following persons as set forth in Exhibit A attached hereto from amounts in the Costs of Issuance Fund. Each such cost is a proper charge against the Costs of Issuance Fund. None of the items for which payment is requested has been previously reimbursed.

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

COUNTY OF ORANGE

By \_\_\_\_\_

**EXHIBIT A**

<b>Item No.</b>	<b>Amount</b>	<b>Purpose</b>	<b>Payee</b>
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