

INDENTURE OF TRUST

BY AND BETWEEN THE

COUNTY OF ORANGE, CALIFORNIA

AND

**U.S. BANK NATIONAL ASSOCIATION
AS TRUSTEE**

DATED AS OF JANUARY 1, 2018

RELATING TO

\$_____

COUNTY OF ORANGE

**REASSESSMENT DISTRICT NO. 17-1R (NEWPORT COAST PHASE IV)
LIMITED OBLIGATION IMPROVEMENT REFUNDING BONDS**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this “Indenture”) is made and entered into as of January 1, 2018 by and between the COUNTY OF ORANGE, CALIFORNIA, a political subdivision of the State of California organized and existing under and by virtue of the laws of the State of California and its charter (the “County”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as Trustee (the “Trustee”).

WITNESSETH:

WHEREAS, on December 12, 2017, the Board of Supervisors of the County passed and adopted Resolution No. _____ (the “Resolution of Intention”) relating to the levy of reassessments and issuance of refunding bonds pursuant to the Refunding Act of 1984 for 1915 Improvement Bonds, Division 11.5 (commencing with Section 9500) of the California Streets and Highways Code (the “Refunding Law”) in and for a portion of the County’s Newport Coast Phase IV Assessment District No. 01-1 (the “Assessment District No. 01-1”) and, by the Resolution of Intention, the Board of Supervisors of the County provided that serial and/or term bonds would be issued thereunder pursuant to the provisions of the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (the “Bond Law” and, together with the Refunding Law, the “Act”); and reference to the Resolution of Intention is hereby expressly made for further particulars;

WHEREAS, under the provisions of the Act, on December 12, 2017, the Board of Supervisors of the County adopted Resolution No. _____ (the “Resolution of Issuance”), which, among other matters, authorized the issuance of refunding improvement bonds of the County designated “County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds (the “Bonds”), upon the security of the unpaid reassessments and provided that such issuance would be in accordance with the Act and this Indenture, and authorized the execution hereof;

WHEREAS, the Board of Supervisors of the County previously issued certain limited obligation improvement bonds for the purpose of financing the acquisition and construction of public improvements under and pursuant to the Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code, such bonds being issued under the Bond Law; and

WHEREAS, the County has determined certain savings and efficiencies may be obtained by refunding the County’s (i) outstanding \$4,135,000 aggregate principal amount of Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Fixed Rate Series 2003 B, (ii) outstanding \$11,605,000 aggregate principal amount of Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group One, (iii) outstanding \$7,485,000 aggregate principal amount of Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Two and (iv) outstanding \$9,165,000 aggregate principal amount of Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Three (collectively, the “Prior Bonds”); and

WHEREAS, it is in the public interest and for the benefit of the County and the owners of the Bonds that the County enter into this Indenture to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the reassessments securing the Bonds and the administration and payment of the Bonds; and

WHEREAS, the County has determined that all things necessary to cause the Bonds, when authenticated by the Trustee and issued as provided in the Act, the Resolution of Issuance and this Indenture, to be legal, valid and binding and limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Indenture and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

Article I. STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01 Authority for this Indenture.

This Indenture is entered into pursuant to the provisions of the Act and the Resolution of Issuance.

Section 1.02 Definitions.

Unless the context otherwise requires, the terms defined in this Section 1.02 shall for all purposes of this Indenture, of any Supplemental Indenture and of any certificate, opinion or other document herein or therein mentioned, have the meanings herein specified.

“**Act**” means, collectively, the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code, and the Refunding Act of 1984 for 1915 Improvement Act Bonds, as amended, being Division 11.5 of the California Streets and Highways Code.

“**Assessment District No. 01-1**” has the meaning ascribed to such term in the recitals to this Indenture.

“**Auditor**” means the Auditor-Controller of the County, or such other official of the County who is responsible for preparing property tax bills.

“**Authorized Representative**” means, with respect to the County, its County Executive Officer, Chief Financial Officer, Public Finance Director, or any other Person designated as an Authorized Representative of the County in a Written Certificate of County filed with the Trustee.

“**Beneficial Owner**” means, whenever used with respect to a Book-Entry Bond, the person whose name is recorded as the beneficial owner of such Book-Entry Bond or a portion of

such Book-Entry Bond by a Participant on the records of such Participant or such person's subrogee.

"Board of Supervisors" means the Board of Supervisors of the County, as the legislative body of the County.

"Bond Counsel" means a firm of nationally recognized bond counsel selected by the County.

"Bond Year" means each twelve-month period beginning on September 3 in each year and extending to the next succeeding September 2, both dates inclusive; except that the first Bond Year shall begin on the Closing Date and end on September 2, 2018.

"Bonds" means the County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds issued hereunder.

"Book-Entry Bonds" means the Bonds registered in the name of the nominee of DTC, or any successor securities depository for the Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 2.12.

"Business Day" means any day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banking institutions in the State of California or in any state where the Office of the Trustee is located are required or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed.

"Cede & Co." means Cede & Co. the nominee of DTC, and any successor nominee of DTC with respect to the Book-Entry Bonds.

"Clerk" means the Clerk of the Board of Supervisors or any assistant or deputy thereof.

"Closing Date" means the date upon which the Bonds are delivered to the Original Purchaser, being _____, 2018.

"Code" means the Internal Revenue Code of 1986.

"Continuing Costs Fund" means the fund by that name established and held by the County pursuant to Section 5.04.

"Continuing Costs of the Bonds" means the continuing costs of the Bonds, including the fees, costs and indemnifications due the Trustee or the County.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the County relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to fees and expenses of bond and disclosure counsel printing expenses, rating agency fees, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel, including the Trustee's first annual administrative fee, fees, charges and disbursements of attorneys, municipal advisors, accounting firms, consultants and other

professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“County” means the County of Orange, California, and any successor thereto.

“County’s Teeter Plan” means the alternative method of distribution of tax and special assessment levies and collections established by the County pursuant to the provisions of Chapter 3, Part 8, Division 1 of the California Revenue and Taxation Code (Sections 4701 and following).

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for Book-Entry Bonds, including any such successor appointed pursuant to Section 2.12.

“Dated Date” means the dated date of the Bonds, being _____, 2018.

“Defeasance Securities” means Permitted Investments of the type described in paragraph (2) of the definition thereof; provided, however, that the Permitted Investments under paragraph (2) shall be noncallable prior to maturity.

“Escrow Agreement” means the Escrow Agreement, dated as of January 1, 2018, by and between the County and the Prior Trustee, acting as the escrow agent, relating to the Prior Bonds being refunded on _____, 2018.

“Escrow Fund” means the fund by that name established by the Escrow Agreement, relating to the Prior Bonds.

“Event of Default” shall be defined in Section 7.01.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the County designated in a Written Certificate of the County delivered to the Trustee.

“Indenture” means this Indenture of Trust, as originally executed or as it may from time to time be amended or supplemented by any Supplemental Indenture.

“Interest Payment Dates” means March 2 and September 2 of each year, commencing [March 2], 2018, so long as any Bonds remain Outstanding.

“Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

“Office” means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the County by the Trustee in writing except that with respect to 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.

“Original Purchaser” means Piper Jaffray & Co., as the original purchaser of the Bonds.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) 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 County shall have been discharged in accordance with Section 10.01, including Bonds (or portions of Bonds) disqualified under Section 11.09; and

(c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

“Owner” means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

“Participant” means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

“Participating Underwriter” has the meaning ascribed thereto in the Continuing Disclosure Certificated executed by the County, dated _____, 2018.

“Permitted Investments” means any of the following to the extent then permitted by the general laws of the State of California:

(1) Cash.

(2) United States Treasury bills, notes, bonds or certificates of indebtedness, for which the full faith and credit of the United States are pledged for the payment of principal and interest.

(3) Obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise.

(4) Eligible commercial paper shall be of “prime quality” and of the highest of ranking or of the highest letter and number rating as provided by a Rating Agency, except that split ratings (i.e., A2/P1) shall not be allowed. The commercial paper shall not

exceed 270 days' maturity and the entity that issues the commercial paper shall meet all of the following conditions in either paragraph (a) or paragraph (b):

(a) Has total assets in excess of five hundred million dollars (\$500,000,000), is organized and operating within the United States as a general corporation, and has debt other than commercial paper, if any, that is rated "A" or higher by a Rating Agency.

(b) Is organized in the United States as a special purpose corporation, trust, or limited liability company, has program-wide credit enhancements including, but not limited to overcollateralization, letters of credit or a surety bond, has commercial paper that is rated "A-1" or higher, or the equivalent, by a Rating Agency.

(5) Negotiable certificates of deposit issued by a U.S. national or state-chartered bank, savings bank, saving and loan association, or credit union in this state or state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank. Issuing banks must have a short-term rating of not less than A1/P1 and a long-term rating of not less than a "A" from a Rating Agency, if any.

(6) Investments in repurchase agreements which comply with the requirements of California Government Code Section 53601(j) pursuant to which the seller will repurchase the securities on or before a specified date and for a specified amount and will deliver the underlying securities to the Trustee by book entry, physical delivery, or by third party custodial agreement. The terms of a repurchase agreement shall not exceed one year. The term "securities," for the purpose of repurchase agreements, means securities of the same issuer, description, issue date and maturity.

To participate in repurchase agreements, a master repurchase agreement must be completed and signed by all parties involved. Repurchase agreements are required to be collateralized by securities or cash authorized under California Government Code Section 53601(j)(2) as described below:

(a) To anticipate market changes and provide a level of security for all repurchase agreement transactions, the market value of securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities and the value shall be adjusted no less frequently than weekly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day.

(b) Collateral will be limited to U.S. Treasury securities listed in paragraph (2) above and U.S. Government Agency securities listed in paragraph (3) above. Collateral will be held by an independent third party with whom the Trustee has a current custodial agreement. A clearly marked evidence of

ownership (safekeeping/custody receipt) must be supplied to the Trustee and retained. The Trustee retains the right to substitute or grant substitutions of collateral.

(7) Bankers acceptances, also known as time drafts (bills of exchange) that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days maturity. Issuing banks must be rated by each Rating Agency and have a short-term rating of at least A1/P1 and a long-term rating of not less than "A" from a Rating Agency, if any.

(8) Shares of beneficial interest issued by diversified management companies that are mutual funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et. seq.), which only invest in direct obligations in U.S. Treasury bills, notes and bonds, U.S. Government Agency securities and repurchase agreements with a weighted average maturity of 60 days or less. At a minimum, approved mutual funds shall have met either of the following criteria:

(a) Attained the highest ranking or the highest letter or numerical rating provided by each Rating Agency.

(b) Retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500,000,000

(9) Municipal debt instruments issued by a local or state agency, including:

(a) Bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency or authority of the local agency.

(b) Registered state warrants or treasury notes or bonds, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the state or a department, board, agency or authority of the state.

(c) Bonds, notes, warrants or other evidences of indebtedness of any local agency within a state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Issuing municipalities must have a short-term rating of not less than A1/P1 and a long-term rating of not less than an "A" from a Rating Agency, if any. Municipal debt issued by the County is exempt from this credit requirement.

(10) Medium-term notes consisting of corporate and depository institution debt securities with a maximum remaining maturity of not more than 397 days for any short-term pools such as money market funds and five years for any longer-term pools such as

an extended fund. Medium-terms notes must be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated not less than “A” or its equivalent form each Rating Agency.

(11) The Orange County Investment Pool.

The value of the above investments in (1) through (11) above, which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(1) for the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Paying Agency shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include, but are not limited to, pricing services provided by Financial Times Interactive Data Corporation and Merrill Lynch;

(2) as to certificates of deposit and bankers acceptances; the face amount thereof, plus accrued interest; and ;

(3) as to any investment not specified above: the value thereof established by prior agreement between the County and the Trustee.

The value of an investment in the Orange County Investment Pool shall be computed in the manner required by State law.

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

“Prepayment Account” means the account within the Redemption Fund by that name established and held by the Trustee pursuant to Section 5.03.

“Prior Bonds” has the meaning ascribed to such term in the recitals to this Indenture.

“Prior Trustee” means U.S. Bank National Association, as Trustee for the Prior Bonds.

[“Qualified Reserve Fund Credit Instrument” means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company, deposited with the Trustee pursuant to the Indenture, provided that all of the following requirements are met: (i) at the time of delivery of such letter of credit or surety bond, the long-term credit rating of such bank is within the two highest rating categories of Moody’s Investors Service or S&P, or the claims paying ability of such insurance company is rated within the highest rating category of A.M. Best & Company and S&P; (ii) such letter of credit or surety bond has a term which ends no earlier than the last Interest Payment Date of the Bonds; (iii) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to the Indenture; and (iv) the Trustee is

authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder amounts necessary to carry out the purposes specified in this Indenture, including the replenishment of the Redemption Fund.]

“Rating Agency” means Moody’s or S&P, or both, as the context requires.

“Reassessment Consultant” means David Taussig & Associates, Inc. or any other consultant or firm of financial consultants appointed by the County and who or each of whom (a) is judged by the County to have experience with respect to the administration of assessment districts, (b) is in fact independent and not under the domination of the County, (c) does not have any substantial interest, direct or indirect, with the County, and (d) is not connected with the County as an officer or employee of the County, but who may be regularly retained to make reports to the County.

“Reassessment District” means the area designated “Reassessment District No. 17-1R (Newport Coast Phase IV),” formed by the County under the Act.

“Reassessments” means the reassessments levied within the Reassessment District by the Board of Supervisors under the proceedings taken pursuant to the Resolution of Intention.

“Record Date” means: (a) the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day, and (b) any date established by the Trustee pursuant to Section 2.02(c) as a Record Date for the payment of defaulted interest on the Bonds, if any.

“Redemption Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.02.

“Redemption Price” means the aggregate amount of principal of and premium (if any) on the Bonds upon the redemption thereof pursuant hereto.

“Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.04.

“Representation Letter” means the Letter of Representation from the County to DTC, or any successor securities depository for the Book-Entry Bonds, in which the County makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.

“Reserve Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.05.

“Reserve Requirement” means an amount equal to the least of (i) ten percent (10%) of the original issue price of the Bonds (or, if the Bonds are issued with net premium and such premium is less than 2% of the par amount of the Bonds, then 10% of the stated principal amount of the Bonds); (ii) one hundred twenty-five percent (125%) of average annual debt service on the Outstanding Bonds as of the Closing Date; and (iii) maximum annual debt service on the Outstanding Bonds.

“Resolution of Intention” means Resolution No. _____, adopted by the Board of Supervisors on _____, 2017.

“Resolution of Issuance” means Resolution No. _____, adopted by the Board of Supervisors on _____, 2017, authorizing the issuance of the Bonds.

“S&P” means S&P Global Ratings, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such entity shall no longer perform the functions of a securities rating agency for any reason, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041-0099 Attention: Call Notification Department, Fax (212) 855-7232 and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the County may designate in a Written Certificate of the County delivered to the Trustee.

“Supplemental Indenture” means any agreement amendatory of or supplemental to this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Tax Certificate” means the Tax Certificate dated the date of the original delivery of the Bonds relating to the requirements of certain provisions of the Code, as such certificate may from time to time be modified or supplemented in accordance with the terms thereof.

“Treasurer-Tax Collector” means the Treasurer-Tax Collector of the County, or an authorized delegate thereof.

“Trustee” means U.S. Bank National Association, a national banking association, or any successor thereto as Trustee hereunder, appointed as provided herein.

“Written Certificate” and **“Written Request”** of the County mean, respectively, a written certificate or written request signed in the name of the County by its Authorized Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.03 Interpretation.

(a) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(b) 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.

Section 1.04 Agreement Constitutes Contract.

In consideration of the purchase and acceptance of any and all of the Bonds issued hereunder by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract among the County, the Trustee and the Owners of the Bonds. The pledge made in this Indenture and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the County shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Indenture.

**Article II.
THE BONDS**

Section 2.01 Authorization of Bonds.

The County hereby authorizes the issuance of the Bonds under and subject to the terms of the Resolution of Issuance and this Indenture, the Act and other applicable laws of the State of California for the purpose of providing a portion of the moneys to refund the Prior Bonds.

Section 2.02 Terms of Bonds.

(a) The Bonds shall be designated “County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds,” and shall be secured by and payable from the Reassessments and other assets pledged hereunder. The aggregate principal amount of Bonds that may be issued and Outstanding under this Indenture shall not exceed \$_____, except as may be otherwise provided in Section 2.07.

(b) The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. No Bond shall have more than one maturity date. The Bonds shall be dated as of the Dated Date, shall be issued in the aggregate principal amount of \$_____, shall mature on September 2 of each year and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum set forth below:

Year (September 2)

Principal

Interest Rate

(c) Interest on the Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Dated Date, or (iii) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid in full, payable on each Interest Payment Date. Interest shall be paid in lawful money of the United States on each Interest Payment Date to the Persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date shall be payable to the Person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special Record Date to be established by the Trustee for the payment of such defaulted interest to be fixed by the Trustee, notice of which shall be given to such Owner not less than ten days prior to such special Record Date. Interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date, except that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of Bonds, upon the written request of such Owner to the Trustee, received at least ten days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the following Interest Payment Date.

(d) The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee. Payment of principal of and premium, if any, on any Bond shall be made only upon presentation and surrender of such Bond at the Office of the Trustee.

(e) The Bonds shall be subject to redemption as provided in Article IV.

(f) The Bonds shall be in substantially the form set forth in Exhibit A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

Section 2.03 Transfer and Exchange of Bonds.

Any Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the County shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds for a like aggregate principal amount, in any authorized denomination. The Trustee shall require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations. The Trustee shall require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be obligated to make any transfer or exchange of Bonds pursuant to this Section 2.03 during the period established by the Trustee for the selection of Bonds for redemption, or with respect to any Bonds selected for redemption.

Section 2.04 Registration Books.

The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall be open to inspection during regular business hours and upon 24 hours-notice by the County; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

Section 2.05 Execution of Bonds.

The Bonds shall be executed in the name and on behalf of the County with the manual or facsimile signature of the Treasurer-Tax Collector or Assistant Treasurer attested by the manual or facsimile signature of the Clerk of the Board of Supervisors. The County's seal or a facsimile thereof, may be reproduced, imprinted or impressed on the Bonds. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the County before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the County, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the County as though those who signed and attested the same had continued to be such officers of the County, and also any Bonds may be signed and attested on behalf of the County by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the County although at the nominal date of such Bonds any such Person shall not have been such officer of the County.

Section 2.06 Authentication Bonds.

Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.07 Temporary Bonds.

The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the County, shall be in fully

registered form without coupons 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 County and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the County issues temporary Bonds it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, at the 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. 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 County, at the expense of the Owner 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 County. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee shall be given, the County, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall be about to mature, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The County may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the County 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 County 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 Limited Obligation.

All obligations of the County under this Indenture and the Bonds shall not be general obligations of the County, but shall be limited obligations, payable solely from the Reassessments and the other assets pledged therefor hereunder. Neither the faith and credit of the County nor of the State of California or any political subdivision thereof is pledged to the payment of the Bonds. The Bonds are "Limited Obligation Improvement Refunding Bonds" as provided in Section 11.01.

Section 2.10 No Acceleration.

The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Article IV hereof, or the defeasance of the Bonds and discharge of this Indenture under Article X hereof.

Section 2.11 Refunding of Bonds.

The Bonds may be refunded by the County under Divisions 11 or 11.5 of the California Streets and Highways Code upon the conditions set forth in proceedings therefor, all as determined by the Board of Supervisors.

Section 2.12 Book-Entry Bonds.

(a) Except as provided in subparagraph (c) of this Section 2.12, the registered Owner of all of the Bonds shall be DTC and the Bonds shall be designated as Book-Entry Bonds and shall be registered in the name of Cede & Co., as nominee for DTC. Notwithstanding anything to the contrary contained in this Indenture, payment of interest with respect to any Book-Entry Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede & Co. on the payment date for the Book-Entry Bonds at the address indicated on the record date or special record date for Cede & Co. in the Registration Books or as otherwise provided in the Representation Letter.

(b) The Book-Entry Bonds shall be initially issued in the form of separate single fully registered Book-Entry Bonds in the amount of each separate stated maturity of the Book-Entry Bonds. Upon initial issuance, the ownership of such Book-Entry Bonds shall be registered in the Registration Books in the name of Cede & Co., as nominee of DTC. The Trustee and the County may treat DTC (or its nominee) as the sole and exclusive Owner of the Book-Entry Bonds registered in its name for the purposes of payment of the principal, Redemption Price or interest with respect to the Book-Entry Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Book-Entry Bonds under this Indenture, registering the transfer of Book-Entry Bonds, obtaining any consent or other action to be taken by Owners of Book-Entry Bonds and for all other purposes whatsoever, and neither the Trustee nor the County shall be affected by any notice to the contrary. Neither the Trustee nor the County shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Book-Entry Bonds under or through DTC or any Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal, Redemption Price or interest with respect to the Book-Entry Bonds; any notice of which is permitted or required to be given to Owners of Book-Entry Bonds under this Indenture; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Book-Entry Bonds; or any consent given or other action taken by DTC as Owner of Book-Entry Bonds. The Trustee shall pay all principal, premium, if any, and interest with respect to the Book-Entry Bonds, only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal, premium, if any, and interest with respect to the Book-Entry Bonds to the extent of the sum or sums so paid. Except under the conditions of (c) below, no person other than DTC shall receive an executed Book-Entry Bond for each separate stated maturity. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event (i) DTC, including any successor as securities depository for the Book-Entry Bonds, determines not to continue to act as securities depository for the Book-Entry Bonds, or (ii) the County determines that the incumbent securities depository shall no longer so act, and delivers a written certificate to the Trustee to that effect, then the County will discontinue the book-entry system with the incumbent securities depository for the Book-Entry Bonds. If the County determines to replace the incumbent securities depository for the Book-Entry Bonds with another qualified securities depository, the County shall prepare or direct the preparation of a new single, separate fully registered Book Entry Bond for the aggregate outstanding principal amount of Book-Entry Bonds of each maturity, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangements acceptable to the County, the Trustee and the successor securities depository for Book-Entry Bonds as are not inconsistent with the terms of this Indenture. If the County fails to identify another qualified successor securities depository of the Book-Entry Bonds to replace the incumbent securities depository, then the Book-Entry Bonds shall no longer be restricted to being registered in the Registration Books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for the Book-Entry Bonds, or its nominee, shall designate. In such event the Trustee shall authenticate and deliver a sufficient quantity of Book-Entry Bonds as to carry out the transfers and exchanges otherwise provided herein. All such Book-Entry Bonds shall be in fully registered form in denominations authorized by this Indenture.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Book-Entry Bond is registered in the name of DTC, or its nominee, all payments with respect to the principal, premium, if any, and interest with respect to such Book-Entry Bond and all notices with respect to such Book-Entry Bond shall be made and given, respectively, as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Owners of Book-Entry Bonds pursuant to this Indenture by the County or the Trustee with respect to any consent or other action to be taken by Owners, the County or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

Article III. ISSUANCE OF BONDS

Section 3.01 Issuance of Bonds.

Concurrently with the execution of this Indenture, the County shall execute and the Trustee shall authenticate the Bonds and deliver the Bonds to the Original Purchaser in the aggregate principal amount of \$_____.

Section 3.02 Application of Proceeds of the Bonds.

On the Closing Date, the net proceeds of the sale of the Bonds shall be paid to the Trustee and such amounts shall be transferred or deposited by the Trustee as follows:

Attachment E: Indenture of Trust

(a) The Trustee shall deposit the amount of \$_____ in the Reserve Fund, constituting the full amount of the Reserve Requirement.

(b) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund.

(c) The Trustee shall transfer to the Escrow Agent under the Escrow Agreement the amount of \$_____ which will be deposited in the Escrow Fund established thereunder.

Section 3.03 Costs of Issuance Fund.

There is hereby established a separate fund to be known as the “Costs of Issuance Fund,” which shall be held by the Trustee in trust. On the Closing Date there shall be deposited in the Costs of Issuance Fund the amount specified in Section 3.02(b).

The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the County stating (a) the Person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior disbursement from the Costs of Issuance Fund; in each case together with a statement or invoice for each amount requested thereunder. On _____, all amounts remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Redemption Fund and the Costs of Issuance Fund shall be closed.

Article IV. REDEMPTION OF BONDS

Section 4.01 Redemption.

(a) Optional Redemption. The Bonds shall be subject to optional redemption in whole or in part on such basis as shall be designated by the County in a Written Certificate of the County filed with the Trustee, on any date on or after September 2, 2028, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption.

(b) Mandatory Redemption From Reassessment Prepayments. The Bonds shall be subject to mandatory redemption, in whole or in part pursuant to Streets and Highways Code Section 8768, on any Interest Payment Date, from and to the extent of any prepayment of Reassessments, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
Any Interest Payment Date through March 2, 2026	103%
September 2, 2026 and March 2, 2027	102

September 2, 2027 and March 2, 2028	101
September 2, 2028 and thereafter	100

The County shall notify the Trustee of Bonds to be called for redemption upon prepayment of Reassessments in amounts sufficient therefor, or whenever sufficient surplus funds are available therefor in the Redemption Fund.

Section 4.02 Notice of Redemption.

Written notice of any redemption shall be given by the County to the Trustee at least forty- five (45) days prior to the date of redemption (unless a shorter time shall be acceptable to the Trustee for its convenience). The Trustee on behalf and at the expense of the County shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and to the Municipal Securities Rulemaking Board, at least 20 but not more than 60 days prior to the Redemption Date. Notice of redemption to the Municipal Securities Rulemaking Board shall be given electronically and uploaded to its Electronic Municipal Market Access (EMMA) system. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, the Bond numbers (except in the event of redemption of all of the Bonds of a maturity or maturities in whole) and the maturity or maturities of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. With respect to any notice of any optional redemption of Bonds pursuant to Section 4.01(a), unless at the time such notice is given the Trustee shall hold sufficient available funds to pay the redemption price of the Bonds to be redeemed, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of the Bonds to be redeemed, and that if such moneys shall not have been so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the persons who received such notice of redemption and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption. In addition, the County shall have the right to rescind any notice of redemption, by written notice to the Trustee, on or prior to the date fixed for such redemption. The Trustee shall distribute the notice of such rescission in the manner in which the notice of redemption was given. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the sufficiency of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

Section 4.03 Selection of Bonds for Redemption.

Whenever provision is made in this Indenture for the redemption pursuant to Section 4.01(a) of less than all of the Bonds maturing on a particular date, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption, by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such

selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

Whenever provision is made in this Indenture for the redemption pursuant to Section 4.01(b), the County shall select the Bonds to be redeemed among maturities so that the ratio of Outstanding Bonds after such redemption to issued Bonds shall be approximately the same in each maturity, insofar as possible. The County shall notify the Trustee of the principal amount of the Bonds so selected for redemption in each maturity of the Bonds by a Written Certificate of the County delivered to the Trustee not less than forty-five (45) days, or such lesser number of days as is acceptable to the Trustee, in its sole discretion, prior to the date selected for redemption. The Trustee shall select Bonds for redemption within each maturity of the Bonds by lot. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

Section 4.04 Partial Redemption of Bonds.

Upon surrender of any Bonds redeemed in part only, the County shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the County, a new Bond or Bonds of authorized denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Section 4.05 Effect of Notice of Redemption.

Notice having been mailed as aforesaid, and moneys for the redemption (including the interest to the applicable date fixed for redemption and including any applicable premium), having been deposited in the Redemption Fund or Prepayment Account, as applicable, the Bonds shall become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the redemption of all the Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof shall be canceled upon surrender thereof and the Trustee shall deliver a certificate of destruction to the County.

Article V.
SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS

Section 5.01 Pledge.

Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Reassessments (including prepayments thereof), together with interest and any penalties thereon, and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to this Indenture (other than the Continuing Costs Fund) are hereby pledged by the County to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of this Indenture and the Act; provided that said pledge shall exclude any and all payments of Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan, which such amounts shall be retained by the County and utilized in accordance with the provisions of the County's Teeter Plan. Said pledge shall constitute a first lien on such assets.

Section 5.02 Redemption Fund.

(a) The Trustee shall establish, maintain and hold in trust a special fund designated the "Redemption Fund." Except as otherwise provided herein, the Trustee shall deposit in the Redemption Fund all Reassessments (other than prepayments thereof), together with interest and any penalties thereon, and any other amounts required to be deposited therein by this Indenture or the Act; provided, that it is expressly understood the County will not transfer to the Trustee any amounts received by the County representing Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan.

(b) On or before each Interest Payment Date, the Trustee shall withdraw from the Redemption Fund for payment to the Owners of the Bonds the principal, if any, of and interest then due and payable on the Bonds. Five Business Days prior to each Interest Payment Date, the Trustee shall determine if the amounts then on deposit in the Redemption Fund are sufficient to pay the principal, if any, of and interest due on the Bonds on such Interest Payment Date. In the event that amounts in the Redemption Fund are insufficient for such purpose, the Trustee, on or before such Interest Payment Date, shall withdraw from the Reserve Fund to the extent of any funds therein the amount of such insufficiency, and shall transfer any amounts so withdrawn to the Redemption Fund. Amounts so withdrawn from the Reserve Fund and deposited in the Redemption Fund shall be applied to the payment of the Bonds. If, after the foregoing transfer, there are insufficient funds in the Redemption Fund to pay the principal, if any, of and interest on the Bonds, the Trustee shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal of the Bonds unless the Board of Supervisors directs otherwise.

Section 5.03 Prepayment Account.

The Trustee shall establish and maintain a special account within the Redemption Fund designated the "Prepayment Account." The Trustee shall deposit in the Prepayment Account the proceeds of the prepayment of any Reassessment upon receipt thereof. Additionally, the Trustee shall deposit in the Prepayment Account amounts received from the County in connection with the County's exercise of its rights to optionally redeem Bonds pursuant to Section 4.01(a).

Amounts in the Prepayment Account shall be disbursed therefrom for the payment of the Redemption Price of Bonds redeemed pursuant to Section 4.01(a) or Section 4.01(b).

Section 5.04 Continuing Costs Fund.

The County shall establish and maintain a separate fund designated the "Continuing Costs Fund." The County shall deposit in the Continuing Costs Fund amounts collected for Continuing Costs of the Bonds. The moneys in the Continuing Costs Fund shall be used and withdrawn by the County from time to time to pay the Continuing Costs of the Bonds.

Section 5.05 Reserve Fund.

(a) The Trustee shall establish, maintain and hold in trust a special fund designated the "Reserve Fund." The Trustee shall deposit in the Reserve Fund the amount specified in Section 3.02(a). Additional deposits shall be made as provided in the Act.

The County shall cause the Reserve Fund to be administered in accordance with Part 16 of the Act; provided that proceeds from redemption or sale of properties, with respect to which payment of delinquent Reassessments and interest thereon was made from the Reserve Fund, shall be credited to the Reserve Fund.

(b) Except as otherwise provided in this Section, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Redemption Fund in the event of any deficiency at any time in the Redemption Fund of the amount then required for payment of the principal of, and interest on the Bonds or, in accordance with the provisions of this Section, for the purpose of redeeming Bonds from the Redemption Fund.

(c) Transfers shall be made from the Reserve Fund to the Redemption Fund in the event of a deficiency in the Redemption Fund, in accordance with Section 5.02(b).

(d) Whenever, after the issuance of the Bonds, a Reassessment is prepaid, in whole or in part, as provided in the Act, the Trustee, pursuant to a Written Request of the County, shall transfer from the Reserve Fund (but only to the extent of moneys on deposit therein and from no other source whatsoever) to the Prepayment Account an amount, specified in such Written Request, equal to the remainder of (i) the product of the ratio of the original amount of the Reassessment, or portion thereof, so prepaid to the original amount of all unpaid Reassessments, times the initial Reserve Requirement minus (ii) any credit supplied in connection with a previous partial prepayment of the same Reassessment; provided that in no event will moneys be transferred in an amount that causes the Reserve Fund to drop below the Reserve Requirement.

(e) On or about July 1, [2032], the Reassessment Consultant shall calculate each parcel's pro rata portion of the Reserve Fund and monitor each parcel's payment status, and provide to the County a report specifying the allocation of moneys which will become available in the Reserve Fund at the end of the fiscal year due to a reduction, if any, in the amount of the Reserve Requirement as a result of the debt service payment to be paid on September 2 following such fiscal year. Those parcels which would otherwise be in their final year of reassessment shall be afforded a credit against the reassessment that would otherwise have been levied in such year, such credit to be based on such parcel's pro rata portion of the reduction and such credit not in excess of such parcel's pro rata portion of the Reserve Fund. The County shall then direct the Trustee, pursuant to a Written Request of the County, to transfer from the Reserve Fund (but only to the extent of moneys on deposit therein and from no other source whatsoever) to the Redemption Fund, the amount specified in such Written Request for such transfer, such transfer to occur on or about September 1 of the next succeeding fiscal year (e.g., a report filed during July 2032 will specify the amount to be transferred on September 1, 2033 for payment of debt service of the Bonds on September 2, 2033). The Trustee shall create a separate sub-account in the Redemption Fund for the moneys transferred from the Reserve Fund (or separate subaccounts therein) if directed to do so by the County pursuant to the Written Request of the County, if the County and the Reassessment Consultant have determined a separate sub-account in the Redemption Fund would be useful for purposes of accounting for the transfer of moneys from the Reserve Fund and the allocation of such moneys to parcels within the Reassessment District. Notwithstanding any provision of this Indenture, the amount to be transferred from the Reserve Fund may be utilized for redemption of Bonds pursuant to Section 4.01(a) provided that in no event will moneys be transferred to accomplish such redemption in an amount that causes the Reserve Fund to drop below the Reserve Requirement subsequent to such redemption. If at any time prior to the date of transfer identified in the Reassessment Consultant's report described above the balance in the Reserve Fund is sufficient to retire all Outstanding Bonds, whether by advance retirement or otherwise, collection of the principal and interest on the Reassessments shall be discontinued and the Reserve Fund shall be liquidated by the Trustee and transferred to the Redemption Fund for the retirement of such Outstanding Bonds, pursuant to a Written Request of the County. In the event that the balance in the Reserve Fund at the time of its liquidation exceeds the amount necessary to retire all of such Outstanding Bonds, the excess shall, after the payment of amounts due to the Trustee, be transferred to the County to be used in accordance with the Act.

(f) So long as no Event of Default shall have occurred and be continuing to the actual knowledge of the Trustee, any amount in the Reserve Fund in excess of the Reserve Requirement on September 3 of each year, except as otherwise provided in Section 6.10 hereof for purposes of arbitrage rebate to the Federal government, shall be withdrawn from the Reserve Fund by the Trustee and shall be deposited in the Redemption Fund.

(g) On each September 3, the Trustee shall transfer from Reassessment payments and amounts collected from foreclosures to the Reserve Fund an amount which, together with amounts then on deposit therein, is sufficient to cause the aggregate amount in the Reserve Fund to equal the Reserve Requirement.

(h) [The Reserve Requirement may be satisfied by crediting to the Reserve Fund moneys and/or a Qualified Reserve Fund Credit Instrument or any combination thereof, which in

the aggregate make funds available in the Reserve Fund in an amount equal to the Reserve Requirement. Upon deposit of such Qualified Reserve Fund Credit Instrument, the Trustee shall transfer any excess amounts then on deposit in the Reserve Fund in excess of the applicable Reserve Requirement into a segregated account of the Redemption Fund, which monies shall be applied upon written direction of the County to the redemption of Bonds on the earliest succeeding date on which such redemption is permitted hereby, and pending such application shall be, as determined in writing by the County, held either not invested in investment property (as defined in section 148(b) of the Code), or invested in such property to produce a yield that is not in excess of the yield on the Bonds; *provided, however*, that the County may by written direction to the Trustee cause an alternative use of such amounts if the County shall first have obtained a written opinion of nationally recognized bond counsel substantially to the effect that such alternative use will not adversely affect the exclusion pursuant to section 103 of the Code of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. In any case where the Reserve Fund is funded with a combination of cash and a Qualified Reserve Fund Credit Instrument, the Trustee shall deplete all cash balances before drawing on the Qualified Reserve Fund Credit Instrument. With regard to replenishment, any available moneys provided by the County shall be used first to reinstate the Qualified Reserve Fund Credit Instrument and second, to replenish the cash in the Reserve Fund. If the Qualified Reserve Fund Credit Instrument is drawn upon, the County shall make payment of interest on amounts advanced under the Qualified Reserve Fund Credit Instrument after making any payments pursuant to this subsection. If a Qualified Reserve Fund Credit Instrument provider is downgraded for any reason, there shall be no obligation to replace or secure the Qualified Reserve Fund Credit Instrument.]

Section 5.06 Investment of Moneys.

Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments, as directed in writing by the County two Business Days prior to the making of such investment. All Permitted Investments shall be acquired subject to any restrictive instructions given to the Trustee pursuant to Section 6.10 and such additional limitations or requirements consistent with the foregoing as may be established by the Written Request of the County. Moneys in all funds and accounts shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture; *provided, however*, that Permitted Investments in which moneys in the Reserve Fund are so invested shall mature no later than the earlier of five years from the date of investment or the final maturity date of the Bonds, and *provided, further*, that if such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. Absent timely written direction from the County, the Trustee shall invest any funds held by it in Permitted Investments described in clause [(7)] of the definition thereof, *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 Written Request of the County specifying a specific money market fund and, if no such Written Request of the County is so received, the Trustee shall hold such moneys uninvested.

Subject to the provisions of Section 6.10, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Indenture shall be deposited in the Redemption Fund; provided, however, that all interest or gain from the investment of amounts in the Reserve Fund shall be retained therein and, provided further, that before any such deposit shall be made, such interest, profits and other income shall be available for the payment of any rebate that may be owed under the Code, as specified in a Written Request of the County delivered to the Trustee.

Permitted Investments acquired as an investment of moneys in any fund established under this Indenture shall be credited to such fund. Except as otherwise provided in the following sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Indenture shall be acquired, disposed of, and valued at fair market value.

The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the County, the Trustee shall sell or present for redemption any Permitted Investments 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 Permitted Investments is credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section. For purposes of investment, the Trustee may commingle moneys in any of the funds and accounts established hereunder. The County acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the County the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the County specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the County periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. The Trustee may rely on the investment directions of the County as to both the suitability and legality of the directed investments.

Article VI.
COLLECTION AND APPLICATION OF REASSESSMENTS;
PARTICULAR COVENANTS

Section 6.01 Collection and Application of Reassessments.

(a) The County shall comply with all requirements of the Act, the Resolution of Issuance and this Indenture to assure the timely collection of the Reassessments, and interest thereon, including, without limitation, the enforcement of delinquent Reassessments. Any funds received by the County in and for the Reassessment District, including, but not limited to, collections of Reassessments (including prepayments thereof), and interest thereon, upon the secured tax rolls, collections of delinquent Reassessments and interest and penalties thereon, through foreclosure proceedings or otherwise (other than amounts collected on account of Continuing Costs of the Bonds and such other said amounts as are payable to the County) shall as soon as practicable be transmitted directly to the Trustee to be deposited into the funds and accounts herein specified; provided that any amounts received by the County representing Reassessments on delinquent parcels, including interest and penalties thereon, so long as the

County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan, shall be retained by the County to be utilized in accordance with the County's Teeter Plan.

(b) The Reassessments and interest thereon, shall be payable and be collected in the same manner at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property.

The County shall, before the final date on which the Auditor will accept the transmission of the Reassessments for inclusion on the next tax roll, prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the installments of such Reassessments, together with interest thereon, and the Continuing Costs of the Bonds on the next secured tax roll of the County. The County is hereby authorized to employ consultants to assist in computing the installments of the Reassessments hereunder and in reconciling Reassessments billed to amounts received.

Upon receipt of any Reassessments, or interest or penalties thereon, or prepayments of Reassessments, the County shall, as soon as practicable, transfer the same to the Trustee, together with a Written Certificate of the County that identifies which portion, if any, of the amounts so transferred that constitute Reassessments, or interest or penalties thereon, or prepayments of Reassessments; provided, that amounts received on account of Continuing Costs of the Bonds shall be retained by the County for deposit in the Continuing Costs Fund and amounts received by the County representing Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan, shall be retained by the County to be utilized in accordance with the County's Teeter Plan. All sums transferred to the Trustee from the collection of the Reassessments and of the interest and penalties thereon shall be placed in the Redemption Fund, and any prepayments of Reassessments shall be placed in the Prepayment Account.

(c) Any Reassessment may be prepaid at any time by paying, in whole or in part, the unpaid amount thereof less, if available, the amount transferred to the Redemption Fund from the Reserve Fund pursuant to Section 5.05(d), if any, together with the redemption premium, if any, set forth in Section 4.01 and interest on such prepaid Reassessment (if not collected in a Reassessment installment) to the earliest redemption date for which notice of redemption may be given in accordance herewith.

Section 6.02 Foreclosure.

With respect to a delinquency in the payment of an installment of any Reassessment not advanced by the County pursuant to the County's Teeter Plan, the County hereby covenants that it will, not later than the first day of November following a delinquency in the payment of Reassessments, or interest thereon, or amounts to pay the Continuing Costs of the Bonds, forthwith undertake and diligently prosecute foreclosure proceedings in the manner prescribed in Section 8830 et seq. of the Act to collect such delinquent amounts; provided, however, that if the amount collected from any source is greater than 92.5% of the installment of the Reassessment

and interest thereon, and amounts to pay the Continuing Costs of the Bonds, to be collected, the County shall not be required to undertake such foreclosure proceedings, unless it is determined that any single property owner is delinquent in excess of \$25,000 in the payment of such amounts in which case it shall diligently institute, prosecute and pursue such foreclosure proceedings against such property owner as set forth herein. Upon the redemption or sale of the real property responsible for such delinquencies, the County shall deposit in the Reserve Fund, from the net proceeds of such redemption or sale, the amount of any delinquency advanced therefrom pursuant to Section 5.05; provided, however, that if and to the extent that any such deposit would cause the amount on deposit in the Reserve Fund to exceed the Reserve Requirement, such excess shall be deposited in the Redemption Fund. The balance, if any, of such redemption or sale shall be disbursed as set forth in the judgment of foreclosure or as required by law.

Section 6.03 No Advances from Available Funds.

The County shall not be obligated to advance available funds of the County to cure any deficiency which may occur in the Redemption Fund; provided, however, that said determination shall not prevent the County, in its sole discretion, from so advancing funds.

Section 6.04 Punctual Payment.

The County shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Reassessments and other assets pledged for such payment as provided in this Indenture and received by the County or the Trustee.

Section 6.05 Extension of Payment of Bonds.

The County 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 claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, 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 County 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 the Bonds.

Section 6.06 Against Encumbrances.

Except as provided herein, and except as provided by the County's Teeter Plan regarding any Reassessment with respect to the which the County has advanced the amount of a delinquent installment pursuant to said Teeter Plan, the County shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Reassessments and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding. The County shall not issue any additional bonds, notes or other evidences of indebtedness payable from the

Reassessments. Notwithstanding the foregoing or any other provisions of this Indenture, the County shall retain all police, taxation and regulatory powers with respect to the real property encumbered by the Reassessments or any of them.

Section 6.07 Power to Issue Bonds and Make Pledge and Assignment.

The County is duly authorized pursuant to the Act to issue the Bonds and to enter into this Indenture and to pledge the Reassessments and other assets purported to be pledged 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 legal, valid and binding obligations of the County in accordance with their terms, and the County (subject to the provisions of Article VII and Article VIII) shall at all times, to the extent permitted by law, defend, preserve and protect said pledge of Reassessments and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all Persons whomsoever.

Section 6.08 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 corporate trust industry standards, in which complete and accurate entries shall be made of all transactions relating to the proceeds of the Bonds, the Reassessments and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the County, during regular business hours and upon 24 hours' notice and under reasonable circumstances as agreed to by the Trustee. The Trustee shall deliver to the County a monthly accounting of the funds and accounts it holds under this Indenture of Trust; provided, however, that the Trustee shall not be obligated to deliver such accounting for any fund or account that has a balance of zero.

Section 6.09 Waiver of Laws.

The County shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the County to the extent permitted by law.

Section 6.10 Tax Covenants.

(a) Special Definitions. When used in this subsection, the following terms have the following meanings:

“Closing Date” means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

“Computation Date” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Gross Proceeds” means any proceeds as defined in section 1.148-1(b) of the Tax Regulations (referring to sales, investment and transferred proceeds), and any replacement proceeds as defined in section 1.148-1(c) of the Tax Regulations, of the Bonds.

“Investment” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Nonpurpose Investment” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and that is not acquired to carry out the governmental purposes of the Bonds.

“Rebate Amount” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Tax Regulations” means the United States Treasury Regulations promulgated pursuant to sections 103 and 141 through 150 of the Code, or section 103 of the 1954 Code, as applicable. Any reference to a specific Tax Regulation shall also mean, as appropriate, any proposed, temporary or final Tax Regulation designed to supplement, amend or replace the specific Tax Regulation referenced.

“Yield” of any Investment has the meaning set forth in section 1.148-5 of the Tax Regulations; and of the Bonds has the meaning set forth in section 1.148-4 of the Tax Regulations.

(b) Not to Cause Interest to Become Taxable. The County covenants that it shall take all actions necessary in order that interest on the Bonds be and remain excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes, and that it shall not use or invest, and shall not permit the use or investment of, and shall not omit to use or invest Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner that if made or omitted, respectively, could cause the interest on any Bond to fail to be excluded pursuant to section 103(a) of the Code from the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the County and the Trustee receives a written opinion of Bond Counsel to the effect that compliance with such covenant is not necessary to, or that failure to comply with such covenant will not adversely affect, the exclusion of the interest on any Bond from the gross income of the owner thereof for federal income tax purposes, the County shall comply with each of the specific covenants in this subsection.

(c) Private Use and Private Payments. Except as would not cause any Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations, the County shall take all actions necessary to assure that the County or another state or local government at all times prior to the final cancellation of the last of the Bonds to be retired:

- (i) exclusively owns, operates and possesses all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Prior Bonds) and not use or permit the use of such Gross Proceeds (including through any contractual

arrangement with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

- (ii) does not directly or indirectly impose or accept any charge or other payment by any person or entity (other than a state or local government) who is treated as using any Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Prior Bonds), other than taxes of general application or interest earned or investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan.

- (i) Except as would not cause any Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, the County shall not use or permit the use of Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (i) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction that creates a debt for federal income tax purposes; (ii) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits of such Gross Proceeds, or burdens and benefits of ownership of any property acquired, constructed or improved with such Gross Proceeds, are otherwise transferred in a transaction that is the economic equivalent of a loan.
- (ii) The County covenants and agrees that the levied Reassessments will meet the requirements of the “tax assessment loan exception” within the meaning of section 1.141-5(d) of the Regulations on the date the Bonds are delivered and will ensure that the Reassessments continue to meet such requirements for so long as the Bonds are outstanding.

(e) Not to Invest at Higher Yield. Except as would not cause the Bonds to become “arbitrage bonds” within the meaning of section 148 of the Code and the Tax Regulations and rulings thereunder, the County shall not (and shall not permit any person to), at any time prior to the final cancellation of the last Bond to be retired, directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, would materially exceed the Yield of the Bonds within the meaning of said section 148.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Tax Regulations and rulings thereunder, the County shall not take or omit to take (and shall not permit any person to take or omit to take) any action that would cause any Bond to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Tax Regulations and rulings thereunder.

(g) Information Report. The County shall timely file any information required by section 149(e) of the Code with respect to Bonds with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Tax Regulations:

- (i) The County shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Bond is discharged. However, to the extent permitted by law, the County may commingle Gross Proceeds of Bonds with its other monies, provided that it separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.
- (ii) Not less frequently than each Computation Date, the County shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Tax Regulations and rulings thereunder. The County shall maintain a copy of the calculation with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.
- (iii) In order to assure the excludability pursuant to section 103 of the Code of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, the County shall pay to the United States the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of the Final Computation Date as defined in section 1.148-3(e)(2) of the Tax Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, such rebate payments shall be made by the County at the times and in the amounts as are or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder for execution and filing by the County.
- (iv) The County shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and

(iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Tax Regulations and rulings thereunder, the County shall not and shall not permit any person to, at any time prior to the final cancellation of the last of the Bonds to be retired, enter into any transaction that reduces the amount required to be paid to the United States pursuant to paragraph (h) of this subsection because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yields on the Bonds not been relevant to either party.

(j) Elections. The County hereby directs and authorizes any Authorized Representative to make elections permitted or required pursuant to the provisions of the Code or the Tax Regulations, as such representative (after consultation with Bond Counsel) deems necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Closing Certificate. The County agrees to execute and deliver in connection with the issuance of the Bonds a Certificate as to Tax Exemption, or similar document containing additional representations and covenants pertaining to the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, which representations and covenants are incorporated as though expressly set forth herein.

(l) Bonds Not Hedge Bonds.

- (i) At the time the original bonds refunded by the Bonds were issued, the County reasonably expected to spend at least 85% of the spendable proceeds of such bonds within three years after such bonds were issued.
- (ii) Not more than 50% of the proceeds of the original bonds refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

Section 6.11 Further Assurances.

The County will make, execute and deliver any and all such further agreements, 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 Owners of the Bonds of the rights and benefits provided in this Indenture.

Article VII.
EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Section 7.01 Events of Default.

The following events shall be Events of Default:

(a) Failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.

(b) Failure to pay any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Failure by the County to observe and perform any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the County (with a copy to the Trustee) by the Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, if in the reasonable opinion of the County the failure stated in the notice can be corrected, but not within such 60 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the County within such 60 day period and the County shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The County shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 7.02 No Acceleration; Foreclosure.

The principal of the Bonds shall not be subject to acceleration hereunder. If any Event of Default shall occur under Section 7.01(a) or (b) then, and in each and every such case during the continuance of such Event of Default, if the County has not otherwise done so, the Trustee may or, at the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, shall commence foreclosure against any parcels of real property in the Reassessment District with delinquent Reassessments, or delinquent payments of interest thereon, or delinquent payments of amounts for the Continuing Costs of the Bonds, as provided in Section 8830 et. seq. of the Act.

Section 7.03 Other Remedies.

In addition to the rights under Section 7.02, the Trustee shall have the right, for the equal benefit and protection of all Bond Owners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the County and its officers, agents or employees to perform each and every term, provision and covenant contained in this Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the County and the fulfillment of all duties imposed upon it by the Act;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bond Owners' or the Trustee's rights; or

(c) upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the County and its members and employees to account as if it and they were the trustees of an express trust.

(d) Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bond Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Bond Owner in any such proceeding without the approval of the Bond Owners so affected.

Section 7.04 Application of Reassessments and Other Funds After Default.

If an Event of Default shall occur and be continuing, all Reassessments, including any penalties, costs, fees and other charges accruing under the Act, but expressly excluding amounts received on account of Continuing Costs of the Bonds, which shall be retained by the County in the Continuing Costs Fund, and further expressly excluding any amounts received by the County representing Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan, which such amounts shall be retained by the County to be utilized in accordance with the County's Teeter Plan, and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture, as follows:

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

Second: to the payment to the Persons entitled thereto of the unpaid principal of any Bonds representing the parcels on which such Reassessments are levied which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds representing the parcels on which such Reassessments are levied on the date of maturity or redemption, and, if the amount available shall not be sufficient to pay in full all the Bonds representing the parcels on which such Reassessments are levied, together with such interest, then to the payment thereof ratably, according to the amounts

of principal due on such date to the Persons entitled thereto, without discrimination or preference.

- (c) Any remaining funds shall be transferred by the Trustee to the Redemption Fund.

Section 7.05 Trustee to Represent Bond Owners.

The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to the Owners under the provisions of the Bonds, this Indenture, the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee and such Owners under the Bonds, this Indenture, the Act or any other law. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of this Indenture.

Section 7.06 Bond Owners' Direction of Proceedings.

Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond Owners not parties to such direction (the Trustee having no duty to make such determination).

Section 7.07 Limitation on Bond Owners' Right to Sue.

No Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Act or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default, (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, shall have made written

request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name, (c) such Owner or said Owners shall have tendered to the Trustee 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 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 Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Act or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 7.08 Absolute Obligation of County.

Nothing in Section 7.07 or in any other provision of this Indenture or in the Bonds contained shall affect or impair the obligation of the County, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Reassessments and other assets herein pledged therefor and received by the County or the Trustee, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.09 Termination of Proceedings.

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

Section 7.10 Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.11 No Waiver of Default.

No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

**Article VIII.
TRUSTEE**

Section 8.01 Duties and Liabilities of Trustee.

(a) Duties of Trustee Generally. 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 expressly and specifically set forth in this Indenture and no implied duties or obligations shall be read into this Indenture against the Trustee. 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) Removal of Trustee. The County may upon 30 days' prior written notice remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners 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 a successor Trustee by an instrument in writing.

(c) Resignation of Trustee. The Trustee may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the County, and to the Bond Owners notice of such resignation at the respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the County shall promptly appoint a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(d) Appointment of Successor Trustee. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that under any circumstances the successor Trustee shall be qualified as provided in subsection (e) of this Section. If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the retiring Trustee being removed or resigning

or any Bond Owner (on behalf of himself and all other Bond Owners) 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 County and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and after payment by the County of all unpaid fees and expenses of the predecessor Trustee, 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 Written Request of the County or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this 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 County 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 County shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then maintains a rating on the Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the County fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the County.

(e) Any Trustee appointed under the provisions of this Section 8.01 in succession to the Trustee shall be a national banking association, trust company or bank having the powers of a trust company, having (or if such bank, national banking association or trust company is a member of a bank holding company system, its parent bank holding company has) a combined capital and surplus of at least seventy-five million dollars (\$75,000,000), and subject to supervision or examination by federal or state agency. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Section 8.02 Merger or Consolidation.

Any bank, national banking association or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association

or trust company shall be eligible under subsection (e) of Section 8.01 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03 Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the County, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture or of the Bonds or shall incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective 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 makes no representations as to the validity or sufficiency of the Indenture or of any Bonds, or in respect of the security afforded by the Indenture and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to: (i) the issuance of the Bonds for value; (ii) for the use or application by the County or others of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture; or (iii) interest on any moneys received by it that, as a result of the absence of instructions from the County, or as a result of inadequate or incomplete instructions from the County, regarding the disposition of such moneys, have not been deposited by the Trustee in a fund or account established hereunder. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

(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 Owners 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.

(d) No personal recourse may be taken, directly or indirectly, against any officer, director, agent or employee of the Trustee with respect to the obligations of the Trustee under this Indenture or any certificate or other writing delivered in connection therewith.

(e) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Bond Owners, each representing less than a majority of

the aggregate principal amount of Bonds then outstanding, the Trustee shall follow the direction of the group of Bond Owners holding the largest aggregate principal amount of the Bonds, if any, shall be taken. The Trustee shall not be liable with respect to any such action taken or omitted to be taken by it in good faith.

(f) Except for information provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(g) 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: email, 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 County 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 County, whenever a person is to be added or deleted from the listing. If the County 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 County 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 County shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the County 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 County. 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 County 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 County; (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. 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.

(h) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

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

(j) No provision in this Indenture of Trust 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 any of its rights or powers.

(k) The Trustee shall not be deemed to have knowledge of any default or Event of Default unless and until it shall have actual knowledge thereof by receipt of written notice thereof at its corporate trust office.

Section 8.04 Right to Rely on Documents.

The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds 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 County, 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; provided, however, the Trustee shall in no event delay any payment with respect to the Bonds in anticipation of any such opinion.

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 Written Certificate of the County, and such Written 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 Written 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 during business hours and upon 24 hours' notice to the inspection of the County, the Owners and their agents and representatives duly authorized in writing.

Section 8.06 Compensation and Indemnification.

The County shall pay to the Trustee from time to time all reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture. The County further agrees, to the extent permitted by law, to indemnify and save the Trustee and its officers, directors, agents and employees harmless against any liabilities, losses, costs, suits, judgments, claims, damages and expenses which it may incur in the exercise and performance of its powers and duties hereunder and under any related documents, including legal fees and expenses and including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its willful misconduct. Without limiting the generality of the foregoing, in performing its duties under any other related agreements, the Trustee shall be entitled to all of the rights, protection and immunities accorded to it as Trustee under this Indenture. The Trustee's immunities and protection from liability and its right to payment of compensation and indemnification in connection with performance of its duties and functions under this Indenture shall survive the Trustee's resignation or removal and the final payment of the Bonds. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages. The Trustee shall not be required to give any bond or surety with respect to the execution of its trusts, powers, rights or duties under this Indenture. The Trustee's immunities and protection from liability and its right to indemnification in connection with the performance of its duties and functions under this Indenture shall extend to the Trustee's officers, directors, employees and agents. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law. Upon an Event of Default, and only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of and premium, if any, and interest on any Bond, upon the trust estate for the foregoing fees, charges and expenses incurred by it.

Section 8.07 Provisions Affecting The Trustee.

Whether or not expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VIII.

**Article IX.
MODIFICATION OR AMENDMENT**

Section 9.01 Amendments Permitted.

(a) This Indenture and the rights and obligations of the County, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the County and the Trustee may enter into with the consent of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, which shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed

maturity of any Bonds, or reduce the amount of principal thereof, or reduce the interest rate borne thereby, or extend the time of payment, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment without the consent of the Owners of all of the Bonds then Outstanding, or (iii) permit the creation of any lien on the Reassessments and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture or deprive the Owners of the Bonds of the lien created by this Indenture on such Reassessments and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the County and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the County), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners of the Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) This Indenture and the rights and obligations of the County, the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the County and the Trustee may enter into without the consent of any Bond Owners for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the County in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the County;
- (ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in this Indenture;
- (iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Agreement Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;
- (iv) to modify, amend or supplement this Indenture in such manner as to cause interest on the Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and
- (v) in any other respect whatsoever as the County may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners hereunder, in the opinion of Bond Counsel filed with the County and the Trustee.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section which adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(d) In executing or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, any opinion of Bond Counsel stating that the execution of such Supplemental Indenture is authorized or permitted by this Indenture and complies with the terms thereof.

Section 9.02 Effect of Supplemental Indenture.

Upon the execution of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the County, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03 Endorsement of Bonds; Preparation of New Bonds.

Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the County so determines shall, bear a notation by endorsement or otherwise in form approved by the County and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Office of the Trustee a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the County and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the County and authenticated by the Trustee, and upon demand of the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same interest rate and maturity.

Section 9.04 Amendment of Particular Bonds.

The provisions of this Article shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Owner.

Article X. DEFEASANCE

Section 10.01 Discharge of Agreement.

(a) If the County shall pay or cause to be paid or there shall otherwise be paid (i) to the Owners of any Outstanding Bonds the principal thereof and the premium, if any, and interest

thereon at the times and in the manner stipulated herein and therein, and (ii) all other amounts due hereunder, then such Owners shall cease to be entitled to the pledge of and lien on the Reassessments as provided herein, and all agreements and covenants of the County and the Trustee to such Owners hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied.

(b) Any Outstanding Bond shall be deemed to have been paid within the meaning and with the effect expressed in this Section 10.01 when the whole amount of the principal thereof and the premium, if any, and interest thereon shall have been paid or when (i) in case said Bond or portion thereof has been selected for redemption in accordance with Section 4.03 hereof prior to its stated maturity date, the County shall have given to the Trustee irrevocable instructions to give, in accordance with the provisions of Section 4.02 hereof, notice of redemption of such Bond, or portion thereof, (ii) there shall be on deposit with the Trustee, moneys or Defeasance Securities, which Defeasance Securities shall not contain provisions permitting the redemption thereof other than at the option of the holder, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which shall be sufficient to pay when due the principal of and premium, if any, and interest on such Bond due and to become due on said Bond or portion thereof on or prior to the redemption date or its stated maturity date, as the case may be, and (iii) in the event said Bond does not mature and is not to be redeemed within the next succeeding 60 days, the County shall have given the Trustee irrevocable instructions to give notice, as soon as practicable in the same manner as a notice of redemption given pursuant to Section 4.02 hereof, to the Owner of said Bond, or portion thereof, stating that the deposit of moneys or Defeasance Securities required by clause (ii) of this paragraph has been made with the Trustee and that said Bond, or portion thereof, is deemed to have been paid in accordance with this Section and stating such maturity date or redemption date upon which moneys are to be available for the payment of the principal of and premium, if any, and interest on such Bond, or portion thereof. Neither the moneys nor the Defeasance Securities deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on such Bond, or portions thereof. If payment of less than all of the Bonds is to be provided for in the manner and with the effect expressed in this Section, the Trustee shall select such Bonds, or portions thereof, in the manner specified in Section 4.03 hereof for selection for redemption of less than all of the Bonds in the principal amounts designated to the Trustee by the County.

(c) The Trustee shall receive (i) an opinion of Bond Counsel reasonably satisfactory to the Trustee to the effect that the conditions precedent to a defeasance pursuant to this Section 10.01 have been satisfied, and (ii) an accountants report concerning the matters described in paragraph (b) of this Section 10.01 (which can be the report delivered pursuant to Section 10.01(e) hereof).

(d) After the payment of all the principal of and premium, if any, and interest on all Outstanding Bonds and all other amounts due hereunder as provided in this Section, the Trustee shall execute and deliver to the County all such instruments as may be necessary or desirable, and provided to the Trustee by or on behalf of the County, to evidence the discharge and satisfaction of this Indenture, and the Trustee shall pay over or deliver to the County all moneys

or securities held by it pursuant hereto which are not required for the payment of the principal of and premium, if any, and interest on such Bonds and all other amounts due hereunder.

(e) Prior to any defeasance becoming effective under this Article X, the County shall cause to be delivered (i) an executed copy of a report, addressed to the Trustee and the County, in form and in substance acceptable to the County, of a nationally recognized certified public accountant, or firm of such accountants, verifying that the Defeasance Securities and cash, if any, satisfy the requirements of clause (ii) of Section 10.01(b), above (a "Verification"), (ii) a copy of the escrow deposit agreement entered into in connection with such defeasance, which escrow deposit agreement shall provide that no substitution of Defeasance Securities shall be permitted except with other Defeasance Securities and upon delivery of a new Verification and no reinvestment of Defeasance Securities shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (iii) a copy of an opinion of Bond Counsel, dated the date of such defeasance and addressed to the Trustee and the County, in form and in substance acceptable to the County, to the effect that such Bonds have been paid within the meaning and with the effect expressed in this Indenture, and that all agreements and covenants of the County and the Trustee to the Owners of such Bonds under this Indenture have ceased, terminated and become void and have been discharged and satisfied, except for the County's obligations under Section 8.06 hereof, which shall survive.

Section 10.02 Payment of Bonds After Discharge of Agreement.

Notwithstanding any provisions of this Indenture, any moneys held by the Trustee in trust for the payment of the principal of, premium, if any, or interest on, any Bonds and remaining unclaimed for two years after the date of deposit of such moneys shall be repaid to the County (without liability for interest) 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 County as aforesaid, the Trustee may (at the cost of the County) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, 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 County of the moneys held for the payment thereof.

**Article XI.
MISCELLANEOUS**

Section 11.01 Limited Obligation.

All obligations of the County under this Indenture and the Bonds shall not be general obligations of the County, but shall be limited obligations, payable solely from the Reassessments and the other assets pledged therefor hereunder. Neither the faith and credit nor the taxing power of the County or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds. The Bonds are "Limited Obligation Improvement Refunding Bonds" and are payable solely from and secured solely by the Reassessments and the other assets pledged hereunder. Notwithstanding any other provision of this Indenture, the

County is not obligated to advance available funds from the County treasury to cure any deficiency in the Redemption Fund.

Section 11.02 Successor Is Deemed Included in All References to Predecessor.

Whenever in this Indenture either the County 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 County or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03 Limitation of Rights to Parties and Bond Owners.

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 Trustee, the County, and the Owners 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 Trustee, the County, and the Owners of the Bonds.

Section 11.04 Waiver of Notice; Requirement of Mailed 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. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05 Destruction of Bonds.

Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the County of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds, and upon the County's request, deliver a certificate of such destruction to the County.

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 County 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.

All notices or communications herein required or permitted to be given to the County or the Trustee shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopy or by being deposited, postage prepaid, in a post office letter box, addressed as follows:

If to the County: County of Orange
333 West Santa Ana Blvd.
Santa Ana, California 92701
Attention: Public Finance Director

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

Section 11.08 Evidence of Rights of Bond Owners.

Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners 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 the County if made in the manner provided in this Section.

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

The ownership of Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner 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 County in accordance therewith or reliance thereon.

Section 11.09 Disqualified Bonds.

In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are actually known by the Trustee to be owned or held by or for the account of the County, or by any other obligor on the Bonds, or by any Person directly or indirectly controlling

or controlled by, or under direct or indirect common control with, the County or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, unless all of the Bonds are so owned or held, in which case all of the Bonds shall be deemed Outstanding. 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 on 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 County or any other obligor on the Bonds. 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 County 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 or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto but without any liability for interest thereon.

Section 11.11 Funds and Accounts.

Any fund or account 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 and accounts shall at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.08 and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish such funds and accounts as it deems necessary or appropriate, or as directed by the Written Request of the County which Written Request shall include detailed directions as to administration of said fund(s) or account(s) acceptable to the Trustee and upon which Written Request the Trustee can conclusively rely and be fully protected in acting upon, without liability.

Section 11.12 Payment on Non-Business Days.

In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such non-Business Day.

Section 11.13 Waiver of Personal Liability.

No member, officer, agent or employee of the County shall be individually or personally liable for the payment of the principal of or premium 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 officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 11.14 Conflict with Act.

In the event of any conflict between any provision of this Indenture and any provision of the Act, the provision of the Act shall prevail over the provision of this Indenture.

Section 11.15 Conclusive Evidence of Regularity.

Bonds issued pursuant to this Indenture shall constitute evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Reassessments.

Section 11.16 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 County and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.17 Governing Laws.

This Indenture shall be governed by and construed in accordance with the laws of the State of California.

Attachment E: Indenture of Trust

IN WITNESS WHEREOF, the County has caused this Indenture to be signed in its name by its officer thereunto duly authorized, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

COUNTY OF ORANGE, CALIFORNIA

By: _____
Suzanne Luster, Public Finance Director

ATTEST:

By: _____
Clerk of the Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION
a Trustee

By: _____
Authorized Officer

EXHIBIT A
FORM OF BOND

No. _____

\$ _____

Unless this Bond is presented by an authorized representative of The Depository Trust company to the Trustee for registration, transfer, exchange or payment, and any Bond 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.

COUNTY OF ORANGE
REASSESSMENT DISTRICT NO. 17-1R
(NEWPORT COAST PHASE IV)
LIMITED OBLIGATION IMPROVEMENT REFUNDING BONDS

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
%	September 2, ____	_____, 2018	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Under and by virtue of the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code of California (the “Act”), the County of Orange, State of California (the “County”), will, out of the redemption fund for the payment of the bonds issued upon the unpaid portion of reassessments made for the refunding bonds more fully described in proceedings taken pursuant to Resolution No. _____ adopted by the Board of Supervisors of the County on _____, 2017, pay to the Registered Owner identified above or registered assigns (the “Registered Owner”), on the Maturity Date identified above or on any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest at the Rate of Interest identified above in like lawful money from the date hereof payable semiannually on March 2 and September 2 in each year, commencing [March 2], 2018 (the “Interest Payment Dates”) until payment of such Principal Amount in full. This Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to [February 15], 2018, in which event it shall bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment). The Principal Amount hereof is payable upon surrender hereof upon maturity or earlier redemption at the designated corporate trust office (the “Trust Office”) of U.S. Bank National Association, as

Attachment E: Indenture of Trust

Trustee (the “Trustee”). Interest hereon is payable by check of the Trustee mailed by first class mail or wire transfer on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner as it appears on the Registration Books of the Trustee as of the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date.

This Bond shall not be entitled to any benefit under the Act, the Resolution authorizing the issuance of the bonds, adopted by the Board of Supervisors of the County on _____, 2017 (the “Resolution of Issuance”) or the Indenture of Trust, dated as of January 1, 2018 (the “Indenture”), by and between the County and the Trustee, executed pursuant to the Resolution of Issuance, or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been dated and signed by the Trustee. Capitalized undefined terms used in this Bond shall have the meanings ascribed thereto in the Indenture.

This Bond is one of several series of Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds (the “Bonds”) of like date, tenor and effect, but differing in amounts, maturities and interest rates, issued by said County under the Act and the Indenture for the purpose of providing means for paying for the refunding of the Prior Bonds as more particularly described in said proceedings, and is secured by the moneys in the redemption fund (as may be limited by the Indenture) and by the unpaid portion of said reassessments made for the payment of said refunding, and, including principal and interest, is payable exclusively out of said fund.

Reference is hereby made to the Indenture and all agreements supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the Reassessments (as that term is defined in the Indenture), of the rights, duties and immunities of the Trustee and of the rights and obligations of the County thereunder; and all of the terms of the Indenture are hereby incorporated herein and constitute a contract between the County and the Registered Owner hereof, and to all of the provisions of which Agreement the Registered Owner hereof, by acceptance hereof, assents and agrees.

The Bonds shall be subject to optional redemption in whole or in part, on any date on or after September 2, 20____, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption.

The Bonds shall be subject to mandatory redemption, in whole or in part, by lot, on any Interest Payment Date, from and to the extent of any prepayments of principal of the Reassessments as more particularly set forth in the Indenture, at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption.

<u>Redemption Dates</u>	<u>Redemption Price</u>
Any Interest Payment Date through March 2, 2026	103%
September 2, 2026 and March 2, 2027	102
September 2, 2027 and March 2, 2028	101
September 2, 2028 and thereafter	100

The Trustee on behalf and at the expense of the County shall mail (by first class mail) notice of any redemption to the respective owners of any Bonds designated for redemption, at their respective addresses appearing on the Registration Books maintained by the Trustee, at least 20 but not more than 60 days prior to the redemption date; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. The redemption price of the Bonds to be redeemed shall be paid only upon presentation and surrender thereof at the Trust Office of the Trustee. From and after the date fixed for redemption of any Bonds, interest on such Bonds will cease to accrue.

The Bonds are issuable as fully registered Bonds without coupons 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, fully registered Bonds may be exchanged at the Trust Office of the Trustee for a like aggregate principal amount and maturity of fully registered Bonds of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The County and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the County and the Trustee shall not be affected by any notice to the contrary.

The Indenture and the rights and obligations of the County and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or the amount of principal thereof without the express written consent of the owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) permit the creation of any lien on the Reassessments and other assets pledged under the Indenture, or deprive the Bond Owners of the lien created under the Indenture on the Reassessments and such other assets, without the consent of the owners of all outstanding Bonds.

The Bonds are Limited Obligation Refunding Bonds because, under the Indenture, the County is not obligated to advance funds from the County treasury to cure any deficiency which may occur in the redemption fund for the Bonds; provided, however, the County is not prevented, in its sole discretion, from advancing funds.

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 hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the County has caused this Bond to be signed in its name and on its behalf by the manual signatures of its Treasurer-Tax Collector and the Clerk of its Board, and has caused its corporate seal to be impressed hereon all as of the Dated Date identified above.

COUNTY OF ORANGE

By: _____
Treasurer-Tax Collector

Attest:

By: _____
Clerk of the Board of Supervisors

[SEAL]

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Agreement and registered on the Registration Books.

Date: _____

U.S. BANK NATIONAL ASSOCIATION, a
Trustee

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

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