
MASTER INDENTURE

by and among

HUNTINGTON BEACH PUBLIC FINANCING AUTHORITY

and

CITY OF HUNTINGTON BEACH

and

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

Dated as of [_____] 1, 2020

**Relating to
Huntington Beach Public Financing Authority
(Orange County, California)
Lease Revenue Refunding Bonds**

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MASTER INDENTURE

THIS MASTER INDENTURE (this “Indenture”), dated as of [_____] 1, 2020, is by and among the HUNTINGTON BEACH PUBLIC FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the “Authority”), the CITY OF HUNTINGTON BEACH, a municipal corporation and chartered city organized and existing under the laws of the State of California (the “City”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (the “Trustee”).

W I T N E S S E T H:

WHEREAS, in order to refinance certain capital improvements, including certain improvements to public facilities to be installed as a part of the City’s Pier Plaza project and a portion of the City’s share of the costs of a countywide 800 MHz coordinated communications system (the “1997 Project”) and other capital projects, including South Beach Phase I and II Improvements, a Beach Maintenance Facility, energy retrofitting of various facilities, design costs of the City’s Sports Complex, water system improvements and the City’s Emerald Cove Senior Housing project (the “2000 Project”), the Authority issued its Huntington Beach Public Financing Authority Lease Revenue Refunding Bonds, 2010 Series A (the “Prior 2010A Bonds”), payable from certain lease payments to be made by the City; and

WHEREAS, in order to refinance certain capital improvements, including certain improvements to the Civic Center, including the Police Administration Building (the “1993 Project”) and the Huntington Central Park Sports Complex and certain beach improvements along Pacific Coast Highway from First Street and Pacific Coast Highway to Huntington Street and Pacific Coast Highway (the “2001 Project” and together with the Prior 1993 Project, the 1997 Project and the 2000 Project, the “Projects”), the Authority issued its Huntington Beach Public Financing Authority (Orange County, California) Lease Revenue Refunding Bonds, 2011 Series A (Capital Improvement Refinancing Project) (the “Prior 2011A Bonds” and, together with the Prior 2010A Bonds, the “Prior Bonds”), payable from certain lease payments to be made by the City; and

WHEREAS, in order to achieve certain savings, the City and the Authority desire to refund the Prior Bonds and, therefore, refinance the Projects; and

WHEREAS, in order to refund the Prior Bonds and, therefore, refinance the Projects, the City is leasing certain real property, and the improvements thereto, consisting of Donald W. Kiser Corporation Yard (the “Property”), to the Authority pursuant to a Master Site Lease, dated as of the date hereof (the “Site Lease”), and the City is subleasing the Property back from the Authority pursuant to a Master Lease Agreement, dated as of the date hereof (the “Lease Agreement”); and

WHEREAS, in order to provide the funds necessary to refund the Prior Bonds and, therefore, refinance the Projects, the Authority and the City desire to provide for the issuance of Huntington Beach Public Financing Authority (Orange County, California) Lease Revenue Refunding Bonds, 2020 Series A (Tax-Exempt) (the “Series 2020A Bonds”), and Huntington Beach Public Financing Authority (Orange County, California) Lease Revenue Refunding Bonds,

2020 Series B (Federally Taxable) (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”), in the respective aggregate principal amounts of \$[_____] and \$[_____] , payable from the base rental payments (the “Base Rental Payments”) to be made by the City pursuant to the Lease Agreement; and

WHEREAS, the Authority and the City desire to provide for the issuance of additional bonds (the “Additional Bonds”) payable from the Base Rental Payments on a parity with the Series 2020 Bonds (the Series 2020 Bonds and any such Additional Bonds being collectively referred to as the “Bonds”); and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, each of the Authority and the City has authorized the execution and delivery of this Indenture; and

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

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Indenture do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Indenture;

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

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Lease Agreement.

“**Act**” means the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 *et seq.* of the California Government Code.

“**Additional Bonds**” means Bonds other than Series 2020 Bonds issued hereunder in accordance with the provisions of Sections 2.04 and 2.05 hereof.

“**Additional Rental Payments**” means all amounts payable by the City as Additional Rental Payments pursuant to Section 3.02 of the Lease Agreement.

“**Annual Debt Service**” means, for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the scheduled principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year).

“**Authority**” means the Huntington Beach Public Financing Authority, a joint powers authority organized and existing under the laws of the State of California.

“**Authorized Authority Representative**” means any member of the Board of Directors of the Authority, the Executive Director of the Authority or the Treasurer of the Authority, and any other Person authorized by the Board of Directors of the Authority or the Executive Director of the Authority to act on behalf of the Authority under or with respect to this Indenture.

“**Authorized City Representative**” means the City Manager of the City, the Assistant City Manager of the City or the Chief Financial Officer of the City, and any other Person authorized by the City Council of the City or the City Manager of the City to act on behalf of the City under or with respect to this Indenture.

“**Authorized Denominations**” means, with respect to the Bonds, \$5,000 and any integral multiple thereof.

“**Base Rental Payments**” means all amounts payable to the Authority by the City as Base Rental Payments pursuant to Section 3.01 of the Lease Agreement.

“**Beneficial Owners**” means those individuals, partnerships, corporations or other entities for whom the Participants have caused the Depository to hold Book-Entry Bonds.

“Bond Year” means each twelve-month period beginning on May 2 in each year and extending to the next succeeding May 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on May 1, 2021.

“Bonds” means the Huntington Beach Public Financing Authority (Orange County, California) Lease Revenue Bonds issued hereunder, and includes the Series 2020 Bonds and any Additional Bonds.

“Book-Entry Bonds” means the Bonds of a Series registered in the name of the nominee of DTC, or any successor securities depository for such Series of Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 2.10 hereof.

“Business Day” means a day other than (a) Saturday or Sunday, (b) a day on which banking institutions in the city or cities in which the Office of the Trustee is located are authorized or required by law to be closed, and (c) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed.

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

“City” means the City of Huntington Beach, a municipal corporation and chartered city organized and existing under and by virtue of the laws of the State of California.

“Closing Date” means the date upon which the Series 2020 Bonds are delivered to the Original Purchaser, being [_____, 2020].

“Code” means the Internal Revenue Code of 1986.

“Common Reserve Account” means the account of that name established in the Reserve Fund pursuant to a Supplemental Indenture to secure the Common Reserve Bonds.

“Common Reserve Bonds” means each Series of Additional Bonds secured by the Common Reserve Account as provided in the Supplemental Indenture providing for the issuance of such Series of Additional Bonds.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate, dated the Closing Date, of the City, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“Costs of Issuance” means all the costs of issuing and delivering the Bonds, including, but not limited to, all printing and document preparation expenses in connection with this Indenture, the Lease Agreement, the Site Lease, the Bonds and any preliminary official statement and final official statement pertaining to the Bonds, rating agency fees, CUSIP Service Bureau charges, market study fees, financial advisory fees, legal fees and expenses of counsel with respect to the refinancing of the Projects, the initial fees and expenses of the Trustee and its counsel, any premium for a municipal bond insurance policy insuring payments of debt service on Additional Bonds or any Reserve Facility, and other fees and expenses incurred in connection with the issuance and delivery of the Bonds, to the extent such fees and expenses are approved by the City.

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 4.02 hereof.

[**“Defeasance Securities”** means (a) non-callable direct obligations of the United States of America (“United States Treasury Obligations”), (b) evidences of ownership of proportionate interests in future interest and principal payments on United States Treasury Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Treasury Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated, (c) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (d) securities eligible for “AAA” defeasance under then existing criteria of S&P or Moody’s, or any combination thereof.]

“Depository” means the securities depository acting as Depository pursuant to Section 2.10 hereof.

“DTC” means The Depository Trust Company, New York, New York and its successors.

“Escrow Agreements” means the 2010A Escrow Agreement and the 2011A Escrow Agreement.

“Escrow Bank” means U.S. Bank National Association, as trustee and escrow bank under the Escrow Agreements, and any successor thereto.

“Event of Default” means an event described as such in Section 6.01.

“Fitch” means Fitch, Inc., its successors and assigns, except that if such corporation shall no longer perform the function of a securities rating agency for any reason, the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

“Indenture” means this Master Indenture, by and among the Authority, the City and the Trustee, as originally executed and as it may from time to time be amended or supplemented in accordance with the provisions hereof.

“Interest Account” means the Series 2020 Interest Account and each additional account established for the payment of interest of a Series of Additional Bonds within the Payment Fund pursuant to Section 4.03 hereof.

“Interest Payment Date” means each May 1 and November 1, commencing [November 1, 2020], so long as any Bonds remain Outstanding.

“Lease Agreement” means the Master Lease Agreement, dated as of the date hereof, by and between the City and the Authority, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“Lease Default Event” means an event of default pursuant to and as described in Section 8.01 of the Lease Agreement.

“Lease Revenues” means all Base Rental Payments payable by the City pursuant to the Lease Agreement, including any prepayments thereof, any Net Proceeds and any amounts received by the Trustee as a result of or in connection with the Trustee’s pursuit of remedies under the Lease Agreement upon a Lease Default Event.

“Letter of Representations” means the letter of the Authority delivered to and accepted by the Depository on or prior to the delivery of the Bonds as Book-Entry Bonds setting forth the basis on which the Depository serves as depository for such Book-Entry Bonds, as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute Depository.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made.

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

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.10 hereof.

“Office of the Trustee” means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Authority and the City in writing; provided, however, 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, which other office or agency shall be specified to the Authority and the City by the Trustee in writing.

“Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the Authority.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated, the original purchaser of the Series 2020 Bonds from the Authority.

“Outstanding” means, when used as of any particular time with reference to Bonds, subject to the provisions of Section 10.06 hereof, all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except (a) Bonds previously canceled by the Trustee or delivered to the Trustee for cancellation, (b) Bonds paid or deemed to have been paid within the meaning of Section 9.02 hereof, 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.

“Participating Underwriter” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Book-Entry Bonds as securities depository.

“Payment Fund” means the fund by that name established in accordance with Section 4.03 hereof.

“Permitted Investments” is defined in Exhibit B attached hereto.

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

“Principal Account” means the Series 2020 Principal Account and each additional account established for the payment of principal of a Series of Additional Bonds within the Payment Fund pursuant to Section 4.03 hereof.

“Principal Payment Date” means a date on which the principal of the Bonds becomes due and payable, either as a result of the maturity thereof or by mandatory sinking fund redemption.

“Prior 2010A Bonds” means the prior bonds of the Authority as defined in recital clauses hereto.

“Prior 2011A Bonds” means the prior bonds of the Authority as defined in recital clauses hereto.

“Projects” means the capital improvement projects described in recital clauses hereto.

“Rebate Fund” means the fund by that name established pursuant to Section 4.05 hereof.

“Rebate Requirement” has the meaning ascribed thereto in the Tax Certificate.

“Record Date” means the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established pursuant to Section 4.04 hereof.

“Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.08 hereof.

“Rental Payments” means, collectively, the Base Rental Payments and the Additional Rental Payments.

“Rental Period” means the period from the Closing Date through June 30, 20[] and, thereafter, the twelve-month period commencing on July 1 of each year during the term of the Lease Agreement.

“Reserve Account” means either the Common Reserve Account or any other reserve account established pursuant to Section 4.05 hereof, which account may secure one or more Series

of Additional Bonds as provided in the Supplemental Indenture providing for the establishment thereof.

“Reserve Facility” means any line of credit, letter of credit, insurance policy, surety bond or similar instrument, in form reasonably satisfactory to the Trustee, that (a) names the Trustee as beneficiary thereof, (b) provides for payment on demand, (c) cannot be terminated by the issuer thereof so long as any of the Bonds secured by such Reserve Facility remain Outstanding, (d) is issued by an obligor, the obligations of which under the Reserve Facility are, at the time such Reserve Facility is substituted for all or part of the moneys on deposit in the applicable Reserve Account, rated in one of the two highest rating categories (without regard to any modifier) by any one rating agency then rating the Bonds secured by such Reserve Facility, and (e) is deposited with the Trustee pursuant to Section 4.05 hereof.

“Reserve Fund” means the fund by that name established in accordance with Section 4.05 hereof pursuant to a Supplemental Indenture.

“Reserve Requirement” means, (a) with respect to any Series of Additional Bonds that are Common Reserve Bonds, such amount, as shall be specified in the Supplemental Indenture authorizing the issuance of the first Series of Common Reserve Bonds, and (b) with respect to any Series of Additional Bonds that are not Common Reserve Bonds, such amount, if any, as shall be specified in the Supplemental Indenture authorizing the issuance of such Series of Additional Bonds; provided, however, that in no event shall any Reserve Requirement exceed an amount permitted by the Code.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such entity shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

“Series” means the initial series of Bonds executed, authenticated and delivered on the date of initial issuance of such Bonds and identified pursuant to this Indenture as the Series 2020A Bonds and the Series 2020B Bonds, and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate Series of Bonds.

“Series 2020 Bonds” means, collectively, the Series 2020A Bonds and the Series 2020B Bonds, issued hereunder.

“Series 2020 Interest Account” means the Interest Account by that name within the Payment Fund established pursuant to Section 4.03 hereof.

“Series 2020 Principal Account” means the Principal Account by that name within the Payment Fund established pursuant to Section 4.03 hereof.

“Series 2020A Bonds” means the Huntington Beach Public Financing Authority (Orange County, California) Lease Revenue Refunding Bonds, 2020 Series A (Tax-Exempt), issued hereunder.

“**Series 2020B Bonds**” means the Huntington Beach Public Financing Authority (Orange County, California) Lease Revenue Refunding Bonds, 2020 Series B (Federally Taxable), issued hereunder.

“**Site Lease**” means the Master Site Lease, dated as of the date hereof, by and between the City and the Authority, as originally executed and as it may from time to time be amended in accordance with the provisions thereof and of the Lease Agreement.

“**Supplemental Indenture**” means any supplemental indenture 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 executed by the Authority at the time of issuance of the Series 2020A Bonds, relating to the requirements of Section 148 of the Code, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“**Tax-Exempt**” means, with respect to interest on any obligations of a state or local government, including interest on the Series 2020 Bonds, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“**Trustee**” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or any successor thereto as Trustee hereunder substituted in its place as provided herein.

“**2010A Escrow Agreement**” means the Escrow Agreement, dated as of the date hereof, by and between the Authority and the Escrow Bank, relating to the Prior 2010A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**2011A Escrow Agreement**” means the Escrow Agreement, dated as of the date hereof, by and between the Authority and the Escrow Bank, relating to the Prior 2011A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**Verification Report**” means, with respect to the deemed payment of Bonds pursuant to clause (ii)(B) of subsection (a) of Section 9.02 hereof, a report of a nationally recognized certified public accountant, or firm of such accountants, verifying that the Defeasance Securities and cash, if any, deposited in connection with such deemed payment satisfy the requirements of clause (ii)(B) of subsection (a) of Section 9.02 hereof.

“**Written Certificate of the Authority**” means a written certificate signed in the name of the Authority by an Authorized Representative of the Authority. Any such certificate 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.

“Written Certificate of the City” means a written certificate signed in the name of the City by an Authorized Representative of the City. Any such certificate 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.

“Written Request of the Authority” means a written request signed in the name of the Authority by an Authorized Representative of the Authority. Any such 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.

“Written Request of the City” means a written request signed in the name of the City by an Authorized Representative of the City. Any such 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 1.02. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the Authority, the City, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full and final payment of the principal of, and premium, if any, and interest on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Authority or the City shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds. The Authority hereby authorizes the issuance of the Bonds under and subject to the terms of this Indenture, the Act and other applicable laws of the State of California. The Bonds may consist of one or more Series of varying denominations, dates, maturities, interest rates and other provisions, subject to the provisions and conditions contained herein. The Bonds shall be designated generally as the “Huntington Beach Public Financing Authority (Orange County, California) Lease Revenue Bonds,” each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds.

The Bonds shall be special obligations of the Authority, payable solely from the Lease Revenues and the other assets pledged therefor hereunder. Neither the faith and credit nor the taxing power of the Authority, the City or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

Notwithstanding anything to the contrary contained herein, if, as a result of the limitations contained in Section 3.06 of the Lease Agreement, Base Rental Payments cannot be paid by the City in an amount sufficient to pay the principal of, or interest on, the Bonds otherwise payable on any date, such principal or interest shall be deemed not to be payable on such date, the nonpayment thereof on such date shall not constitute a default or an Event of Default under this Indenture and such principal or interest shall become payable on the date on which such Base Rental Payments becomes payable under and pursuant to the Lease Agreement.

Section 2.02. Terms of Series 2020 Bonds. (a) The Series 2020A Bonds shall be designated “Huntington Beach Public Financing Authority (Orange County, California) Lease Revenue Refunding Bonds, 2020 Series A (Tax-Exempt).” The aggregate principal amount of Series 2020A Bonds that may be issued and Outstanding under this Indenture shall not exceed \$[_____], except as may be otherwise provided in Section 2.11 hereof.

(b) The Series 2020A Bonds shall be issued in fully registered form without coupons in Authorized Denominations. The Series 2020A Bonds shall be dated as of the Closing Date, shall be in the aggregate principal amount of \$[_____], shall mature on May 1 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 as follows:

Maturity Date <u>(May 1)</u>	Principal <u>Amount</u> \$	Interest <u>Rate</u> %
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(a) The Series 2020B Bonds shall be designated “Huntington Beach Public Financing Authority (Orange County, California) Lease Revenue Refunding Bonds, 2020 Series B (Federally Taxable).” The aggregate principal amount of Series 2020B Bonds that may be issued and Outstanding under this Indenture shall not exceed \$[_____], except as may be otherwise provided in Section 2.11 hereof.

(b) The Series 2020B Bonds shall be issued in fully registered form without coupons in Authorized Denominations. The Series 2020B Bonds shall be dated as of the Closing Date, shall be in the aggregate principal amount of \$[_____], shall mature on May 1 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 as follows:

Maturity Date <u>(May 1)</u>	Principal <u>Amount</u> \$	Interest <u>Rate</u> %
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(c) Interest on the Series 2020 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2020 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 Series 2020 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or (iii) interest on any Series 2020 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 previously been paid or duly provided for. Interest shall be paid in lawful money of the United States on each Interest Payment Date. Except as otherwise provided in the Letter of Representations, interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Series 2020 Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record

Date; provided, however, that, in the case of an Owner of \$1,000,000 or more in aggregate principal amount of Series 2020 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. Any such request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee.

(d) The principal of and premium, if any, on the Series 2020 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.

(e) The Series 2020 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. Issuance of Series 2020 Bonds; Application of Proceeds. (a) The Authority may, at any time, execute the Series 2020 Bonds and deliver the same to the Trustee. The Trustee shall authenticate the Series 2020 Bonds and deliver the Series 2020 Bonds to the Original Purchaser upon receipt of a Written Request of the Authority and upon receipt of the purchase price therefor.

(b) On the Closing Date, the proceeds of the sale of the Series 2020A Bonds received by the Trustee, \$[_____], shall be deposited by the Trustee as follows:

(i) the Trustee shall deposit the amount of \$[_____] in the Costs of Issuance Fund; and

(ii) the Trustee shall transfer the amount of \$[_____] to the Escrow Bank, to be applied to the payment and redemption of the Prior 2010A Bonds in accordance with the 2010A Escrow Agreement.

(c) On the Closing Date, the proceeds of the sale of the Series 2020B Bonds received by the Trustee, \$[_____], shall be deposited by the Trustee as follows:

(i) the Trustee shall deposit the amount of \$[_____] in the Costs of Issuance Fund; and

(ii) the Trustee shall transfer the amount of \$[_____] to the Escrow Bank, to be applied to the payment and redemption of the Prior 2011A Bonds in accordance with the 2011A Escrow Agreement.

Section 2.04. Conditions for the Issuance of Additional Bonds. The Authority may at any time issue one or more Series of Additional Bonds (in addition to the Series 2020 Bonds) payable from Lease Revenues as provided herein on a parity with all other Bonds theretofore issued hereunder, but only subject to the following conditions, which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) neither the Authority nor the City shall be in default under this Indenture, the Lease Agreement or the Site Lease;

(b) the issuance of such Additional Bonds shall have been authorized under and pursuant to the Act and under and pursuant hereto and shall have been provided for by a Supplemental Indenture which shall specify the following:

(i) the purposes for which such Additional Bonds are to be issued; provided, that the proceeds of the sale of such Additional Bonds shall be applied only for one or more of the following purposes: (A) providing funds to pay costs of City facilities (including capitalized interest), (B) providing funds to refund any Bonds issued hereunder or other obligations of the City, (C) providing funds to pay Costs of Issuance incurred in connection with the issuance of such Additional Bonds, and (D) providing funds to make any deposit to any Reserve Account required pursuant to paragraph (c) below;

(ii) the principal amount and designation of such Series of Additional Bonds and the denomination or denominations of the Additional Bonds, which shall be Authorized Denominations;

(iii) that such Additional Bonds shall be payable as to interest on the Interest Payment Dates, except that the first installment of interest may be payable on either May 1 or November 1;

(iv) the date, the maturity date or dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional Bonds; provided, that (A) the serial Bonds of such Series of Additional Bonds shall be payable as to principal annually on May 1 of each year in which principal falls due, and the term Bonds of such Series of Additional Bonds shall have annual mandatory sinking fund redemptions on May 1, (B) all Additional Bonds of a Series of like maturity shall be identical in all respects, except as to number or denomination, and (C) serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

(v) the redemption premiums and terms, if any, for such Additional Bonds;

(vi) the form of such Additional Bonds;

(vii) the designation as to whether such Additional Bonds shall (A) constitute Common Reserve Bonds secured by the Common Reserve Account, (B) be secured by any other Reserve Account, or (C) not be secured by any Reserve Account; and

(viii) such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof;

(c) upon the issuance of such Additional Bonds, the amount on deposit in the Reserve Account applicable to such Additional Bonds, if any, shall be at least equal to the applicable Reserve Requirement for such Additional Bonds; and

(d) upon the issuance of such Additional Bonds, the sum of Base Rental Payments, including any increase in the Base Rental Payments as a result of the issuance of such Additional Bonds, plus Additional Rental Payments, in any Rental Period shall not be in excess of the annual fair rental value of the Property after taking into account the use of the proceeds of such Additional Bonds (evidence of the satisfaction of such condition shall be made by a Written Certificate of the City).

Section 2.05. Procedure for the Issuance of Additional Bonds. Whenever the Authority and the City shall determine to authorize the issuance of any Additional Bonds, the Authority, the City and the Trustee shall enter into a Supplemental Indenture satisfying the conditions of Section 2.04 hereof. Before such Additional Bonds shall be issued, the Authority and the City shall file or cause to be filed with the Trustee the following:

(a) an Opinion of Counsel setting forth (i) that counsel rendering such opinion has examined the Supplemental Indenture, the amendment to the Lease Agreement, if any, and the amendment to the Site Lease, if any, (ii) that the issuance of the Additional Bonds has been duly authorized by the Authority, (iii) that the execution and delivery of the Supplemental Indenture and, if any, the amendments to the Lease Agreement and the Site Lease have been duly authorized, executed and delivered by the Authority and the City, (iv) that upon execution and delivery of such Supplemental Indenture and any such amendments to the Lease Agreement and the Site Lease, this Indenture, as amended and supplemented by such Supplemental Indenture, and, if so amended, the Lease Agreement and the Site Lease, as amended by such amendments, will be valid and binding obligations of the Authority and the City, and (v) that the execution and delivery of the Supplemental Indenture and, if any, the amendments to the Lease Agreement and the Site Lease, in and of themselves, do not adversely affect the exclusion from gross income for federal income tax purposes of interest on Outstanding Tax-Exempt Bonds;

(b) a Written Certificate of the Authority that the requirements of Section 2.04 hereof have been met;

(c) a Written Certificate of the City that the requirements of Section 2.04 hereof have been met, which shall include a certification as to the fair rental value of the Property, after giving effect to any amendments to the Lease Agreement and the Site Lease entered into in connection with the issuance of the Additional Bonds and taking into account the use of proceeds of such Additional Bonds;

(d) certified copies of the resolutions of the Board of Directors of the Authority and the City Council of the City authorizing the execution and delivery of the Supplemental Indenture and, if any, the amendments to the Lease Agreement and the Site Lease;

(e) executed counterparts or duly authenticated copies of the Supplemental Indenture and, if any, the amendments to the Lease Agreement and the Site Lease, with satisfactory evidence that any such amendments to the Lease Agreement and the Site Lease have been duly recorded in the appropriate records of the county in which the Property is located;

(f) certified copies of the policies of insurance required by Section 5.01 of the Lease Agreement or certificates thereof, which shall evidence that the amounts of the insurance required

under subsections (b) and (c) of Section 5.01 of the Lease Agreement have been increased, if applicable, to cover the amount of such Additional Bonds; and

(g) an CLTA title insurance policy or other appropriate form of policy in the amount of the Additional Bonds of the type and with the endorsements described in Section 5.04 of the Lease Agreement.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's being satisfied from an examination of said instruments that all of the documents required by this Section have been delivered, the Trustee shall authenticate such Additional Bonds, and shall deliver such Additional Bonds to, or upon the request of, the Authority.

Section 2.06. Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of the Chair of the Board of Directors of the Authority attested by the manual or facsimile signature of the Secretary of the Authority. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of such officers of the Authority who shall have signed or attested any of the Bonds shall cease to be such officers before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers, and also any Bonds may be signed and attested on behalf of the Authority by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the Authority although at the nominal date of such Bonds any such Person shall not have been such officer of the Authority.

Section 2.07. Authentication of Bonds. Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form as that set forth in Exhibit A hereto for the Series 2020 Bonds, 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 2.08. Registration Books. The Trustee shall 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 available for inspection and copying by the Authority and the City upon reasonable notice; 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 herein provided.

Section 2.09. 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 Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any Authorized Denomination. The

Trustee shall require the 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 the same Series and maturity of other Authorized Denominations. The Trustee shall require the payment by the 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 of a Series pursuant to this Section during the period commencing on the date five days before the date of selection of Bonds of such Series for redemption and ending on the date of mailing notice of such redemption, or with respect to any Bonds of such Series selected for redemption.

Section 2.10. Book-Entry System. (a) Prior to the issuance of a Series of Bonds, the Authority may provide that such Series of Bonds shall initially be issued as Book-Entry Bonds, and in such event, the Bonds of such Series for each maturity date shall be in the form of a separate single fully registered Bond (which may be typewritten); provided, however, that if different CUSIP numbers are assigned to Bonds of a Series maturing in a single year or, if Bonds of the same Series maturing in a single year are issued with different interest rates, additional bond certificates shall be prepared for each such maturity. Upon initial issuance, the ownership of each such Bond of such Series shall be registered in the Registration Books in the name of the Nominee, as nominee of the Depository. The Series 2020A Bonds and the Series 2020B Bonds shall initially be issued as Book-Entry Bonds.

Payment of principal of, and interest and premium, if any, on, any Book-Entry Bond registered in the name of the Nominee shall be made on the applicable payment date by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of the Nominee. Such payments shall be made to the Nominee at the address which is, on the Record Date, shown for the Nominee in the Registration Books.

(b) With respect to Book-Entry Bonds, the Authority, the City and the Trustee shall have no responsibility or obligation to any Participant or to any Person on behalf of which such a Participant holds an interest in such Book-Entry Bonds. Without limiting the immediately preceding sentence, the Authority, the City and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in Book-Entry Bonds, (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the Registration Books, of any notice with respect to Book-Entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in Book-Entry Bonds of a maturity to be redeemed in the event such Book-Entry Bonds are redeemed in part, (iv) the payment to any Participant or any other Person, other than an Owner as shown in the Registration Books, of any amount with respect to principal of, or premium, if any, or interest on Book-Entry Bonds, or (v) any consent given or other action taken by the Depository as Owner.

(c) The Authority, the City and the Trustee may treat and consider the Person in whose name each Book-Entry Bond is registered in the Registration Books as the absolute Owner of such Book-Entry Bond for the purpose of payment of principal of, and premium, if any, and interest on

such Bond, for the purpose of selecting any Bonds, or portions thereof, to be redeemed, for the purpose of giving notices of redemption and other matters with respect to such Book-Entry Bond, for the purpose of registering transfers with respect to such Book-Entry Bond, for the purpose of obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and the Authority, the City and the Trustee shall not be affected by any notice to the contrary.

(d) In the event of a redemption of all or a portion of a Book-Entry Bond, the Depository, in its discretion, (i) may request the Trustee to authenticate and deliver a new Book-Entry Bond, or (ii) if DTC is the sole Owner of such Book-Entry Bond, shall make an appropriate notation on the Book-Entry Bond indicating the date and amounts of the reduction in principal thereof resulting from such redemption, except in the case of final payment, in which case such Book-Entry Bond must be presented to the Trustee prior to payment.

(e) The Trustee shall pay all principal of, and premium, if any, and interest on the Book-Entry Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the State of California) the respective Owner, as shown in the Registration Books, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal of, and premium, if any, and interest on the Book-Entry Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Registration Books, shall receive an authenticated Book-Entry Bond. Upon delivery by the Depository to the Owners, the Authority, the City and the Trustee of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such nominee of the Depository.

(f) In order to qualify the Book-Entry Bonds for the Depository’s book-entry system, the Authority shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the Authority, the City or the Trustee any obligation whatsoever with respect to Persons having interests in such Book-Entry Bonds other than the Owners, as shown on the Registration Books. Such Letter of Representations may provide the time, form, content and manner of transmission, of notices to the Depository. In addition to the execution and delivery of a Letter of Representations by the Authority, the Authority, the City and the Trustee shall take such other actions, not inconsistent with this Indenture, as are reasonably necessary to qualify Book-Entry Bonds for the Depository’s book-entry program.

(g) In the event the Authority determines that it is in the best interests of the Beneficial Owners that they be able to obtain certificated Bonds and that such Bonds should therefore be made available and notifies the Depository and the Trustee of such determination, the Depository will notify the Participants of the availability through the Depository of certificated Bonds. In such event, the Trustee shall transfer and exchange certificated Bonds as requested by the Depository and any other Owners in appropriate amounts. In the event (i) the Depository determines not to continue to act as securities depository for Book-Entry Bonds, or (ii) the Depository shall no longer so act and gives notice to the Trustee of such determination, then the Authority shall discontinue the Book-Entry system with the Depository. If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate, fully registered Bond of the

appropriate Series for each maturity date of such Book-Entry Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the Authority fails to identify another qualified securities depository to replace the Depository, then the Book-Entry Bonds shall no longer be restricted to being registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of Sections 2.09 and 2.11 hereof. Whenever the Depository requests the Authority to do so, the Authority shall cooperate with the Depository in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Book-Entry Bonds to any Participant having Book-Entry Bonds credited to its account with the Depository, and (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Book-Entry Bonds.

(h) Notwithstanding any other provision of this Indenture to the contrary, if DTC is the sole Owner of the Bonds of a Series, so long as any Book-Entry Bond of such Series is registered in the name of the Nominee, all payments of principal of, and premium, if any, and interest on such Book-Entry Bond and all notices with respect to such Book-Entry Bond shall be made and given, respectively, as provided in the Letter of Representations or as otherwise instructed by the Depository.

(i) In connection with any notice or other communication to be provided to Owners pursuant to this Indenture by the Authority, the City or the Trustee, with respect to any consent or other action to be taken by Owners of Book-Entry Bonds, the Trustee shall establish a record date for such consent or other action and give the Depository notice of such record date not less than 15 calendar days in advance of such record date to the extent possible. Notice to the Depository shall be given only when DTC is the sole Owner of the Bonds of a Series.

Section 2.11. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like aggregate principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Authority. If any Bond 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 Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like aggregate principal amount in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Authority 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 Authority and the Trustee. Any Bond of a Series issued under the provisions of this Section in lieu of any Bond of such Series alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds of such Series secured by this Indenture.

Section 2.12. Temporary Bonds. The Bonds of a Series may be issued in temporary form exchangeable for definitive Bonds of such Series 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 Authority, 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 Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds of a Series it shall execute and deliver definitive Bonds of such Series as promptly thereafter as practicable, and thereupon the temporary Bonds of such Series 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 such Series and maturities in Authorized Denominations. Until so exchanged, the temporary Bonds of such Series shall be entitled to the same benefits under this Indenture as definitive Bonds of such Series authenticated and delivered hereunder.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Extraordinary Redemption. The Bonds shall be subject to redemption, in whole or in part, on any date, in Authorized Denominations, from and to the extent of any Net Proceeds (other than Net Proceeds of rental interruption insurance) received with respect to all or a portion of the Property and deposited by the Trustee in the Redemption Fund in accordance with the provisions hereof, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium.

Section 3.02. Optional Redemption. (a) [The Series 2020A Bonds maturing on or before May 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Series 2020A Bonds maturing on or after May 1, 20__, are subject to optional redemption prior to their respective stated maturity dates, on any date on or after May 1, 20__, in whole or in part, in Authorized Denominations, from (i) prepaid Base Rental Payments paid pursuant to subsection (a) of Section 6.02 of the Lease Agreement, or (ii) any other source of available funds, [at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium.]]

(b) [The Series 2020B Bonds maturing on or before May 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Series 2020B Bonds maturing on or after May 1, 20__, are subject to optional redemption prior to their respective stated maturity dates, on any date on or after May 1, 20__, in whole or in part, in Authorized Denominations, from (i) prepaid Base Rental Payments paid pursuant to subsection (a) of Section 6.02 of the Lease Agreement, or (ii) any other source of available funds, [at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium.]]

Section 3.03. Mandatory Sinking Fund Redemption. The Series 2020A Bonds maturing May 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on May 1 in each year, commencing May 1, 20__, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date <u>(May 1)</u>	Principal Amount to be <u>Redeemed</u> \$
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(Maturity)

If some but not all of the Series 2020A Bonds maturing on May 1, 20__ are redeemed pursuant to Section 3.01 hereof, the principal amount of Series 2020A Bonds maturing on May 1, 20__ to be redeemed pursuant to this Section shall be reduced by the aggregate principal amount

of the Series 2020A Bonds maturing on May 1, 20__ so redeemed pursuant to Section 3.01 hereof, such reduction to be allocated among redemption dates as nearly as practicable on a pro rata basis, in amounts equal to Authorized Denominations, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Authority and the City. If some but not all of the Series 2020A Bonds maturing on May 1, 20__ are redeemed pursuant to Section 3.02 hereof, the principal amount of Series 2020A Bonds maturing on May 1, 20__ to be redeemed pursuant to this Section shall be reduced by the aggregate principal amount of the Series 2020A Bonds maturing on May 1, 20__ so redeemed pursuant to Section 3.02 hereof, such reduction to be allocated among redemption dates in Authorized Denominations, as designated by the City in a Written Certificate of the City.

The Series 2020B Bonds maturing May 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on May 1 in each year, commencing May 1, 20__, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (<u>May 1</u>)	Principal Amount to be <u>Redeemed</u> \$
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(Maturity)

If some but not all of the Series 2020B Bonds maturing on May 1, 20__ are redeemed pursuant to Section 3.01 hereof, the principal amount of Series 2020B Bonds maturing on May 1, 20__ to be redeemed pursuant to this Section shall be reduced by the aggregate principal amount of the Series 2020B Bonds maturing on May 1, 20__ so redeemed pursuant to Section 3.01 hereof, such reduction to be allocated among redemption dates as nearly as practicable on a pro rata basis, in amounts equal to Authorized Denominations, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Authority and the City. If some but not all of the Series 2020B Bonds maturing on May 1, 20__ are redeemed pursuant to Section 3.02 hereof, the principal amount of Series 2020B Bonds maturing on May 1, 20__ to be redeemed pursuant to this Section shall be reduced by the aggregate principal amount of the Series 2020B Bonds maturing on May 1, 20__ so redeemed pursuant to Section 3.02 hereof, such reduction to be allocated among redemption dates in Authorized Denominations, as designated by the City in a Written Certificate of the City.

Section 3.04. Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption (a) with respect to any redemption pursuant to Section 3.01 hereof, among maturities of all Series of Bonds on a pro rata basis as nearly as practicable, (b) with respect to any optional redemption of Series 2020 Bonds, as directed in a Written Certificate of the City, and (c) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity

in any manner which the Trustee in its sole discretion shall deem appropriate and fair. The Trustee shall promptly notify the Authority and the City in writing of the numbers of the Bonds so selected for redemption on such date. For purposes of such selection, any Bond may be redeemed in part in Authorized Denominations.

Section 3.05. Notice of Redemption. The Trustee on behalf of the Authority 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 at least 20 but not more than 60 days prior to the date fixed for redemption. 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 and the maturity or maturities of the Bonds to be redeemed (except in the event of redemption of all of the Bonds of such maturity or maturities in whole), 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. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity 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. With respect to any notice of any optional redemption of Bonds of a Series, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid within the meaning of Section 9.02 hereof, 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, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not 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 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.

Section 3.06. Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same Series in Authorized Denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Section 3.07. Effect of Notice of Redemption. Notice having been mailed as aforesaid, and moneys for the redemption price, and the interest to the applicable date fixed for redemption, having been set aside, 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 price 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 without liability to such Owners for interest thereon.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof shall be canceled upon surrender thereof and destroyed.

ARTICLE IV

PLEDGE AND ASSIGNMENT; FUNDS AND ACCOUNTS

Section 4.01. Pledge and Assignment. 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 Lease Revenues and all amounts on deposit from time to time in the funds and accounts established hereunder (other than the Rebate Fund) are hereby pledged to the payment of the principal of and interest on the Bonds as provided herein, and the Lease Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding. Said pledge shall constitute a first lien on such assets.

In order to secure the pledge of the Lease Revenues contained in this Section, the Authority hereby sells, assigns and transfers to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the Owners, all of its right, title and interest in and to the Site Lease and the Lease Agreement, including, without limitation, the right to receive Base Rental Payments and the right to exercise any remedies provided in the Lease Agreement in the event of a default by the City thereunder; provided, however, that the Authority shall retain the rights to indemnification and to payment or reimbursement of its reasonable costs and expenses under the Lease Agreement. The Trustee hereby accepts said assignment for the benefit of the Owners, subject to the provisions of this Indenture.

The Trustee shall be entitled to and shall receive all of the Base Rental Payments, and any Base Rental Payments collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as agent of the Trustee and shall forthwith be paid by the Authority to the Trustee.

Section 4.02. Costs of Issuance Fund. (a) The Trustee shall establish and maintain a separate fund designated the “Costs of Issuance Fund.” On the Closing Date, the Trustee shall deposit in the Costs of Issuance Fund the amount required to be deposited therein pursuant to Section 2.03 hereof.

(b) The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay Costs of Issuance upon submission to the Trustee of a Written Request of the City substantially in the form attached hereto as Exhibit D. Upon receipt of each such Written Request of the City, the Trustee shall pay the amount set forth in such Written Request as directed by the terms thereof. Each such Written Request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(c) On the date that is six months after the Closing Date, the Trustee shall transfer any amounts then remaining in the Costs of Issuance Fund to one or more accounts or subaccounts within the Payment Fund as directed in a Written Request of the City, and upon such transfer the Costs of Issuance Fund shall be closed.

(d) If the Costs of Issuance Fund has been closed in accordance with the provisions hereof, the Costs of Issuance Fund shall be reopened and reestablished by the Trustee in connection

with the issuance of any Additional Bonds, if so provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued. There shall be deposited in the Costs of Issuance Fund the portion, if any, of the proceeds of the sale of any Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

Section 4.03. Payment Fund. (a) The Trustee shall establish and maintain a separate fund designated the “Payment Fund.” Within the Payment Fund, the Trustee shall establish and maintain a separate account designated the “Series 2020 Interest Account” and a separate account designated the “Series 2020 Principal Account.” Upon the issuance of Additional Bonds, the Trustee shall also establish and maintain, within the Payment Fund, a separate Interest Account and a separate Principal Account for each Series of Additional Bonds.

(b) All Lease Revenues received by the Trustee shall be deposited by the Trustee in the Payment Fund; provided, however, that Net Proceeds, other than those constituting proceeds of rental interruption insurance received with respect to the Property, shall not be deposited in the Payment Fund but, rather, shall be applied as provided in Section 5.01 or Section 5.02 hereof, as applicable. There shall additionally be deposited in the applicable Interest Account and Principal Account of the Payment Fund amounts transferred from the related Reserve Account pursuant to subsection (c) of Section 4.05 hereof.

(c) The Trustee, on each Interest Payment Date, shall transfer from the Payment Fund to each Interest Account an amount equal to the interest on the related Series of Bonds coming due on such Interest Payment Date; provided, however, that if and to the extent that such amount is available for such Series of Bonds in any capitalized interest subaccount established pursuant to a Supplemental Indenture on such Interest Payment Date, the Trustee shall, instead, transfer such amount from such capitalized interest subaccount to the related Interest Account on such Interest Payment Date. Moneys in each Interest Account shall be withdrawn and used by the Trustee for the purpose of paying interest on the related Series of Bonds as and when due and payable.

(d) The Trustee, on each Principal Payment Date, shall transfer from the Payment Fund to each Principal Account an amount equal to the principal of the related Series of Bonds, including principal due and payable by reason of mandatory sinking fund redemption, coming due on such date. Moneys in each Principal Account shall be withdrawn and used by the Trustee for the purpose of paying principal of the related Series of Bonds, including principal due and payable by reason of mandatory sinking fund redemption, as and when due and payable.

Section 4.04. Redemption Fund. [The Trustee shall establish and maintain a special fund designated the “Redemption Fund.” The Trustee shall deposit in the Redemption Fund any amounts received from the City in connection with the City’s exercise of its right pursuant to Section 6.02 of the Lease Agreement to cause Bonds to be optionally redeemed. Additionally, the Trustee shall deposit in the Redemption Fund any amounts required to be deposited therein pursuant to Section 5.01 or Section 5.02 hereof. Amounts in the Redemption Fund shall be disbursed therefrom by the Trustee for the payment of the redemption price of, and accrued interest on, Bonds redeemed pursuant to Section 3.01 or Section 3.02 hereof.]

Section 4.05. Reserve Fund. (a) [The Series 2020 Bonds shall not be secured by any Reserve Account.] When provided for in a Supplemental Indenture, the Trustee shall establish and

maintain a special fund designated the "Reserve Fund." Within the Reserve Fund, the Trustee, when provided for in a Supplemental Indenture, shall establish and maintain a separate account designated the "Common Reserve Account" and one or more additional Reserve Accounts, each of which may secure one or more Series of Bonds pursuant hereto and pursuant to the Supplemental Indenture authorizing the issuance thereof. In connection with the issuance of Additional Bonds, there shall be deposited in the Common Reserve Account or any other Reserve Account established and/or maintained for such Additional Bonds, as applicable, the amount required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(b) The City may substitute a Reserve Facility for all or part of the moneys on deposit in any Reserve Account by depositing such Reserve Facility with the Trustee, provided that, at the time of such substitution, the amount on deposit in such Reserve Account, together with the amount available under all Reserve Facilities on deposit in such Reserve Account, shall be at least equal to the Reserve Requirement for such Reserve Account. Moneys for which a Reserve Facility has been substituted as provided herein shall be transferred, at the election of the City, to the Redemption Fund for the purpose of redeeming the related Series of Bonds or, upon receipt of an Opinion of Counsel that such transfer will not, in and of itself, adversely affect the exclusion of interest on Outstanding Tax-Exempt Bonds from gross income for federal income tax purposes, to the City to be applied to the payment of capital costs of the City. Amounts on deposit in any Reserve Account which were not derived from payments under any Reserve Facility credited to such Reserve Account to satisfy a portion of the Reserve Requirement for such Reserve Account shall be used and withdrawn by the Trustee prior to using and withdrawing any amounts derived from payments under such Reserve Facility. In order to accomplish such use and withdrawal of such amounts not derived from payments under any such Reserve Facility, the Trustee shall, as and to the extent necessary, liquidate any investments purchased with such amounts.

(c) In the event that, on the second Business Day prior to a date on which the Trustee is to transfer money from the Payment Fund to the Interest Accounts pursuant to subsection (c) of Section 4.03 hereof or to the Principal Accounts pursuant to subsection (e) of Section 4.03 hereof, amounts in the Payment Fund are insufficient for such purpose, the Trustee shall withdraw from each Reserve Account, to the extent of any funds therein, the amount of the insufficiency of the related Series of Bonds, and shall transfer any amounts so withdrawn first to the related Interest Account and then to the related Principal Account. If the amount on deposit in any Reserve Account is not sufficient to make such transfer, the Trustee shall make a claim under any available Reserve Facility, in accordance with the provisions thereof, in order to obtain an amount sufficient to allow the Trustee to make such transfer as and when required.

(d) In the event of any transfer from a Reserve Account or the making of any claim under a Reserve Facility, the Trustee shall, within two Business Days thereafter, provide written notice to the Authority and the City of the amount and the date of such transfer or claim; provided, however, that such notice need not be provided if such transfer is made pursuant to subsection (f) or subsection (g) of this Section.

(e) If the sum of the amount on deposit in any Reserve Account, plus the amount available under all available Reserve Facilities held for such Reserve Account, is less than the Reserve Fund Requirement for such Reserve Account, the first of Base Rental Payments thereafter

received from the City under the Lease Agreement and not needed to pay the principal of and interest on the Bonds on the next Interest Payment Date or Principal Payment Date shall be used, first, to reinstate the amounts available under any Reserve Facilities that have been drawn upon and, second, to increase the amount on deposit in the Reserve Accounts, so that the amount available under all available Reserve Facilities, when added to the amount on deposit in the Reserve Fund, shall equal the Reserve Requirement for each Reserve Account; provided, however, that such Base Rental Payments shall be allocated among all Reserve Accounts ratably without preference or priority of any kind, according to each Reserve Account's percentage share of the total deficiencies in all Reserve Accounts.

(f) If, as a result of the payment of principal of or interest on any Series of Bonds, the Reserve Requirement applicable to such Series of Bonds is reduced, amounts on deposit in the applicable Reserve Account in excess of such reduced Reserve Requirement shall be transferred to the related Interest Account(s) and Principal Account(s) of the Payment Fund as directed in a Written Request of the City.

(g) On any date on which Bonds of a Series are defeased in accordance with Section 9.02 hereof, the Trustee shall, if so directed in a Written Request of the City, transfer any moneys in the related Reserve Account in excess of the applicable Reserve Requirement resulting from such defeasance to the entity or fund so specified in such Written Request of the City, to be applied to such defeasance.

(h) Moneys, if any, on deposit in a Reserve Account shall be withdrawn and applied by the Trustee for the final payments of principal of and interest on the Bonds secured by such Reserve Account.

Section 4.06. Rebate Fund. (a) The Trustee shall establish and maintain a special fund designated the "Rebate Fund." There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate, as specified in a Written Request of the Authority or a Written Request of the City. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Bonds pursuant to Article IX hereof or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority or the City, and shall have no liability or responsibility to enforce compliance by the Authority or the City with the terms of the Tax Certificate. The Trustee may conclusively rely upon the determinations, calculations and certifications of the Authority or the City required by the Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the calculations of the Authority or the City.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the Bonds and after payment of any amounts described in this Section, shall, upon receipt by the Trustee of a Written Request of the City, be withdrawn by the Trustee and remitted to the City.

Section 4.07. Investments. (a) Except as otherwise provided herein, any moneys held by the Trustee in the funds and accounts established hereunder shall be invested by the Trustee upon the Written Request of the City, received at least two Business Days prior to the investment date, only in Permitted Investments, and in the absence of such direction shall be invested by the Trustee in Permitted Investments described in clause ([]) 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 City specifying a specific money market fund that satisfies the requirements of said paragraph in which such investment is to be made and, if no such Written Request is so received, the Trustee shall hold such moneys uninvested. The Trustee may act as principal or agent in the acquisition or disposition of any such investment. The Trustee shall not be liable or responsible for any loss suffered in connection with any such investment made by it under the terms of and in accordance with this Section. The Trustee shall sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment of the funds so invested, and the Trustee shall not be liable or responsible for any losses resulting from any such investment sold or presented for redemption. Permitted Investments that are registerable securities shall be registered in the name of the Trustee. The Trustee shall be entitled to rely upon any investment directions from the City as conclusive certification to the Trustee that the investments described therein are permitted by the general laws of the State of California applicable to investments by cities.

(b) Investments purchased with funds on deposit in the Payment Fund shall mature not later than the payment date immediately succeeding the investment. Investments purchased with funds on deposit in the Redemption Fund shall be invested in Permitted Investments described in clause (1)(a) of the definition thereof that mature on or prior to the redemption date on which such funds are to be applied to the redemption of Bonds. Notwithstanding anything to the contrary contained herein, investments purchased with funds on deposit in any Reserve Account of the Reserve Fund shall have an average aggregate weighted term to maturity of not greater than five years; provided, however, that if such investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in such Reserve Account may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds.

(c) Investments (except investment agreements) in any fund or account established hereunder shall be valued, exclusive of accrued interest (i) not less often than annually nor more often than monthly, and (ii) upon any draw upon any Reserve Account. All investments of amounts deposited in any fund or account established hereunder shall be valued at the market value thereof.

(d) Any interest or profits received with respect to investments held in any of the funds or accounts established under this Indenture (other than any Reserve Account) shall be retained therein. Any interest or profits received with respect to investments held in a Reserve Account shall be transferred to the related Interest Account. Notwithstanding the foregoing, any such transfer or disbursement shall be made from a Reserve Account only if and to the extent that, after such transfer, the amount on deposit in such Reserve Account, together with amounts available to be drawn on all Reserve Facilities held for such Reserve Account, if any, is at least equal to the Reserve Requirement for such Reserve Account.

(e) The Authority and the City acknowledges that to the extent that regulations of the Comptroller of the Currency grant the Authority or the City the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, to the extent permitted by law, the Authority and the City specifically waives receipt of such confirmations. The Trustee shall furnish the Authority and the City periodic transaction statements that include detail for all investment transactions made by the Trustee hereunder.

ARTICLE V

NET PROCEEDS AND TITLE INSURANCE; COVENANTS

Section 5.01. Application of Net Proceeds. If the Property or any portion thereof shall be damaged or destroyed, subject to the further requirements of this Section, the City shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the City elects not to repair or replace the Property or the affected portion thereof in accordance with the provisions hereof.

The Net Proceeds of any insurance (other than Net Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of any damage or destruction of the Property or a portion thereof shall as soon as possible be deposited with the Trustee and be held by the Trustee in a special account and made available for and, to the extent necessary, shall be applied to the cost of repair or replacement of the Property or the affected portion thereof upon receipt of a Written Request of the City, together with invoices therefor. Pending such application, such proceeds may, pursuant to a Written Request of the City, be invested by the Trustee in Permitted Investments that mature not later than such times as moneys are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, the City shall, within 60 days of the occurrence of the event of damage or destruction, notify the Trustee in writing as to whether the City intends to replace or repair the Property or the portions of the Property which were damaged or destroyed. If the City does intend to replace or repair the Property or portions thereof, the City shall deposit with the Trustee the full amount of any insurance deductible to be credited to the special account referred to above.

If such damage, destruction or loss was such that there resulted a substantial interference with the City's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments results from such damage or destruction pursuant to Section 3.06 of the Lease Agreement, then the City shall be required either to (a) apply sufficient funds from the insurance proceeds and other legally available funds to the replacement or repair of the Property or the portions thereof which have been damaged to the condition which existed prior to such damage or destruction, or (b) apply sufficient funds from the insurance proceeds and other legally available funds to the redemption, pursuant to Section 3.01 hereof (i) of all of the Outstanding Bonds, or (ii) of such portion of the Outstanding Bonds as shall result in the remaining, non-abated Base Rental Payments being sufficient to pay, as and when due, the principal of and interest on the Bonds that will remain Outstanding after such redemption. If the City is required to apply funds from the insurance proceeds and other legally available funds to the redemption of Bonds in accordance with clause (b) above, the City shall direct the Trustee, in a Written Request of the City, to transfer the funds to be applied to such redemption to the Redemption Fund and the Trustee shall transfer such funds to the Redemption Fund. Any proceeds of any insurance, including the proceeds of any self-insurance remaining after the portion of the Property which was damaged or destroyed is restored to and made available to the City in substantially the same condition and annual fair rental value as that which existed prior to the damage or destruction as required by clause (a) above, or the redemption of Bonds as required by clause (b) above, in each case as evidenced by a Written Certificate of the City to such effect, shall be deposited in the Reserve

Accounts, ratably without preference or priority of any kind according to each Reserve Account's percentage share of the total deficiencies in all Reserve Accounts, to the extent that the amounts therein are less than the applicable Reserve Requirement. If the City is not required to replace or repair the Property, or the affected portion thereof, as set forth in clause (a) above, or to use such amounts to redeem Bonds as set forth in clause (b) above, then such proceeds shall be deposited in the Reserve Accounts, ratably without preference or priority of any kind according to each Reserve Account's percentage share of the total deficiencies in all Reserve Accounts, to the extent that the amounts therein are less than the applicable Reserve Requirement. Any amounts not required to be so deposited into the Reserve Accounts shall, if there is first delivered to the Trustee a Written Certificate of the City to the effect that the annual fair rental value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, is at least equal to 100% of the maximum amount of Base Rental Payments becoming due under the Lease Agreement in the then current Rental Period or any subsequent Rental Period and the fair replacement value of the Property after such damage or destruction is at least equal to the sum of the then unpaid principal components of Base Rental Payments, be paid to the City to be used for any lawful purpose.

The proceeds of any award in eminent domain shall be deposited by the Trustee in the Redemption Fund and applied to the redemption of Bonds pursuant to Section 3.01 hereof.

Section 5.02. Title Insurance. Net Proceeds of any policy of title insurance received by the Trustee in respect of the Property shall be applied and disbursed by the Trustee as follows:

(a) if the City determines that the title defect giving rise to such proceeds has not substantially interfered with its use and occupancy of the Property and will not result in an abatement of Rental Payments payable by the City under the Lease Agreement, such proceeds shall, upon Written Request of the City, be remitted to the City and used for any lawful purpose thereof; or

(b) if the City determines that the title defect giving rise to such proceeds has substantially interfered with its use and occupancy of the Property and will result in an abatement in whole or in part of Rental Payments payable by the City under the Lease Agreement, then the City shall, in a Written Request of the City, direct the Trustee to, and the Trustee shall immediately deposit such proceeds in the Redemption Fund and such proceeds shall be applied to the redemption of Bonds in the manner provided in Section 3.01 hereof.

Section 5.03. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal of, and premium, if any, and interest on 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 the Base Rental Payments and other assets pledged for such payment as provided in this Indenture and received by the Authority or the Trustee.

Section 5.04. Compliance with Indenture. The Authority and the City shall faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in this Indenture required to be complied with, kept, observed and performed by them.

Section 5.05. Compliance with Site Lease and Lease Agreement. The Authority and the City shall faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Site Lease and the Lease Agreement required to be complied with, kept, observed and performed by them and, together with the Trustee, shall enforce the Site Lease and the Lease Agreement against the other party thereto in accordance with their respective terms.

Section 5.06. Observance of Laws and Regulations. The Authority, the City and the Trustee shall faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Section 5.07. Other Liens. The City shall keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, and free from any claim or liability which materially impairs the City in conducting its business or utilizing the Property, and the Trustee at its option (after first giving the City thirty days' written notice to comply therewith and failure of the City to so comply within such thirty-day period) may defend against any and all actions or proceedings, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the City from liability for or on account of any of its agreements and covenants contained herein, or from its obligation hereunder to perform such agreements and covenants. The Trustee shall have no liability with respect to any determination made in good faith to proceed or decline to defend, pay or compromise any such claim or demand.

So long as any Bonds are Outstanding, none of the Trustee, the Authority or the City shall create or suffer to be created any pledge of or lien on the amounts on deposit in any of the funds or accounts created hereunder, other than the pledge and lien hereof.

The Authority and the Trustee shall not encumber the Property other than in accordance with the Site Lease, the Lease Agreement and this Indenture.

Section 5.08. Prosecution and Defense of Suits. The City shall promptly, upon request of the Trustee or any Owner, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Property or any part thereof, whether now existing or hereafter developing, shall prosecute all actions, suits or other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Owner harmless from all cost, damage, expense or loss, including attorneys' fees, which they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

Section 5.09. Accounting Records and Statements. The Trustee shall keep proper accounting records in which complete and correct entries shall be made of all transactions of the

Trustee relating to the receipt, deposit and disbursement of the Lease Revenues, and such accounting records shall be available for inspection by the Authority and the City at reasonable hours and under reasonable conditions. The Trustee shall, upon written request, make copies of the foregoing available, at the Owner's expense, to any Owner or its agent duly authorized in writing.

Section 5.10. Recordation. The City shall record, or cause to be recorded, with the appropriate county recorder, the Lease Agreement and the Site Lease, or memoranda thereof, and a memorandum of the assignment of the Authority's right, title and interest in and to the Site Lease and the Lease Agreement pursuant to Section 4.01 hereof.

Section 5.11. Tax Covenants. (a) Neither the Authority nor the City shall take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series 2020A Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, each of the Authority and the City shall comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Series 2020A Bonds.

(b) In the event that at any time the Authority or the City is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established hereunder, the Authority or the City shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Authority or the City shall provide to the Trustee an Opinion of Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2020A Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 5.12. Continuing Disclosure. The City shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the City to comply with the Continuing Disclosure Certificate shall not constitute an Event of Default hereunder; provided, however, that the Trustee, at the written direction of any Participating Underwriter or the holders of at least 25% of the aggregate principal amount of Outstanding Series 2020 Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee, or any holder or Beneficial Owner of the Series 2020 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.13. Notifications Required by the Act. If at any time the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds or withdraws funds from a Reserve Account to pay principal and interest on any Series of Bonds, the Trustee shall notify the Authority in writing of such failure or withdrawal, as applicable, and, in accordance with Section 6599.1(c) of the Act, the Authority shall notify the California Debt and Investment

Advisory Commission of such failure or withdrawal, as applicable, within 10 days of the failure or withdrawal, as applicable.

Section 5.14. Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Owner, the Authority and the City shall promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them hereby or by the Site Lease or the Lease Agreement.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.01. Events of Default. The occurrence, from time to time, of any one or more of the following events shall constitute an Event of Default under this Indenture:

(a) failure to pay any installment of principal of any Bond as and when 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 Bond as and when the same shall become due and payable;

(c) a Lease Default Event shall have occurred and be continuing;

(d) failure by the Authority 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 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Authority by the Trustee, the City or the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, that if, in the reasonable opinion of the Authority, the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Authority within such 30 day period and the Authority shall thereafter diligently and in good faith cure such failure in a reasonable period of time;

(e) failure by the City to observe and perform any of the covenants, agreements or conditions on its part in this Indenture contained, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the City by the Trustee, the Authority or the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, that if, in the reasonable opinion of the City, the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the City within such 30 day period and the City shall thereafter diligently and in good faith cure such failure in a reasonable period of time; or

(f) the Authority or the City shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 6.02. Action on Default. In each and every case during the continuance of an Event of Default, the Trustee may and, at the direction of the Owners of not less than a majority of the aggregate principal amount of Bonds then Outstanding (and upon indemnification of the Trustee to its reasonable satisfaction as provided herein), shall, upon notice in writing to the Authority and the City, exercise any of the remedies granted to the Authority under the Lease Agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to protect and enforce any of the rights vested in the Trustee or the Owners by this Indenture or by the Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the

specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in Section 6.03 hereof.

Section 6.03. Other Remedies of the Trustee. During the continuance of an Event of Default, the Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Authority or the City or any member, director, officer or employee thereof, and to compel the Authority or the City or any such member, director, officer or employee to perform or carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein or in the Bonds;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee or the Owners; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the Authority or the City, or both, to account as if it or they were the trustee or trustees of an express trust.

Section 6.04. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.05. Application of Amounts After Default. If an Event of Default shall occur and be continuing, all Lease Revenues and any other funds 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 any expenses necessary in the opinion of the Trustee to protect the interests of the Owners and 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 all amounts then due for interest on the Bonds, ratably without preference or priority of any kind, according to the amounts of interest on such Bonds due and payable, with interest on the overdue interest at the rate borne by the respective Bonds; and

(c) to the payment of all amounts then due for principal of the Bonds, ratably without preference or priority of any kind, according to the amounts of principal of the Bonds due and payable, with interest on the overdue principal at the rate borne by the respective Bonds.

Notwithstanding anything herein to the contrary, any amounts held in a Reserve Account shall be applied by the Trustee only after the application of all Lease Revenues and other funds pursuant to subsections (a), (b) and (c) above and shall only be applied as provided by subsections

(a), (b) and (c) above toward payments related to the Series of Bonds secured by such Reserve Account.

Section 6.06. Power of Trustee to Enforce. 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 6.07. 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, however, that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and, provided, further, 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 Owners not parties to such direction.

Section 6.08. Limitation on Bond Owners' Right to Sue. No Owner of any Bond 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 any remedy hereunder or under law; it being understood and intended that no one or more Owners 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, 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, subject to the provisions of this Indenture.

Section 6.09. Termination of Proceedings. If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee or any Owner, then, subject to any such adverse determination, the Trustee, such Owner, the Authority and the City shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken. In case any proceedings taken by the Trustee or any one or more 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 any Owner, then in every such case the Trustee, such Owner, the Authority and the City, 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 Trustee, the Owners, the Authority and the City shall continue as though no such proceedings had been taken.

Section 6.10. No Waiver of Default. No delay or omission of the Trustee or of any Owner to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, and every power and remedy given by this Indenture to the Trustee or to the Owners may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VII

THE TRUSTEE

Section 7.01. Duties and Liabilities of Trustee. The Trustee shall, prior to an Event of Default, and after the curing or waiver 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. The Trustee shall, during the existence of any Event of Default which has not been cured or waived, 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 such person's own affairs.

Section 7.02. Removal and Resignation of the Trustee. The Authority and the City may by an instrument in writing, remove the Trustee initially a party hereto and any successor thereto unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee initially a party hereto and any successor thereto if at any time (a) requested to do so by an instrument or concurrent instruments in writing signed by the Owners of a majority of the aggregate principal amount of the Bonds at the time Outstanding (or their attorneys duly authorized in writing), or (b) the Trustee shall cease to be eligible in accordance with the following sentence, and shall appoint a successor Trustee. The Trustee and any successor Trustee shall be a commercial bank with trust powers having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000 (or be part of a bank holding company with a combined capital and surplus of at least \$50,000,000) and subject to supervision or examination by federal or state authorities. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee may at any time resign by giving written notice of such resignation to the Authority and the City and by giving notice, by first class mail, postage prepaid, of such resignation to the Owners at their addresses appearing on the Registration Books. Upon receiving such notice of resignation, the Authority and the City shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event the Authority and the City do not appoint a successor Trustee within 30 days following receipt of such notice of resignation, the resigning Trustee may, at the expense of the City, petition the appropriate court having jurisdiction to appoint a successor Trustee. Any resignation or removal of a Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority and the City and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, at the written request of the Authority, the City or 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.

Any corporation, association or agency into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, provided that such entity meets the combined capital and surplus requirements of this Section, ipso facto, shall be and become successor trustee under this Indenture and vested with all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 7.03. Compensation and Indemnification of the Trustee. The City shall from time to time, subject to any written agreement then in effect with the Trustee, pay the Trustee reasonable compensation for all its services rendered hereunder and reimburse the Trustee for all its reasonable advances and expenditures (which shall not include “overhead expenses” except as such expenses are included as a component of the Trustee’s stated annual fees) hereunder, including but not limited to advances to and reasonable fees and reasonable expenses of accountants, agents, appraisers, consultants or other experts, and counsel not directly employed by the Trustee but an attorney or firm of attorneys retained by the Trustee, employed by it in the exercise and performance of its rights and obligations hereunder; provided, however, that the Trustee shall not have any lien for such compensation or reimbursement against any moneys held by it in any of the funds or accounts established hereunder.

The City shall, to the extent permitted by law, indemnify and save the Trustee harmless against any liabilities, costs, claims or expenses, including those of its attorneys, which it may incur in the exercise and performance of its powers and duties hereunder and under any related documents, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its willful misconduct. The duty of the City to indemnify the Trustee shall survive the termination and discharge of this Indenture and the resignation or removal of the Trustee.

Section 7.04. Protection of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any affidavit, bond, certificate, consent, notice, request, requisition, resolution, statement, telegram, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners pursuant to this Indenture, unless such Owners shall have offered to the Trustee security or indemnity, reasonably satisfactory to the Trustee, against the reasonable costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. Under no circumstances shall the Trustee request or be entitled to indemnification from the City for taking

actions required by and in accordance with this Indenture, including, but not limited to, causing payments of principal of and interest on the Bonds to be made to the Owners thereof and carrying out redemptions of the Bonds in accordance with the terms hereof. The Trustee may consult with counsel, who may be counsel to the Authority or the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in good faith in accordance therewith.

The Trustee shall not be responsible for the sufficiency of the Bonds or the Lease Agreement or for statements made in the preliminary or final official statement relating to the Bonds, or of the title to the Property.

Except as otherwise expressly provided herein, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers hereunder.

Whenever in the administration of its rights and obligations hereunder 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 Authority or a Written Certificate of the City, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it deems reasonable.

The Trustee may buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party hereto. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority or the City, and may act as agent, depository or trustee for any committee or body of Owners or of owners of obligations of the Authority or the City as freely as if it were not the Trustee hereunder.

The Trustee may, to the extent reasonably necessary, execute any of the trusts or powers hereof and perform any rights and obligations required of it hereunder by or through agents, attorneys or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its rights and obligations hereunder, and the Trustee shall not be answerable for the negligence or misconduct of any such agent, attorney or receiver selected by it with reasonable care; provided, however, that in the event of any negligence or misconduct of any such attorney, agent or receiver, the Trustee shall diligently pursue all remedies of the Trustee against such agent, attorney or receiver. The Trustee shall not be liable for any error of judgment made by it in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be answerable for the exercise of any trusts or powers hereunder or for anything whatsoever in connection with the funds established hereunder, except only for its own willful misconduct, negligence or breach of an obligation hereunder.

The Trustee may, on behalf of the Owners, intervene in any judicial proceeding to which the Authority or the City is a party and which, in the opinion of the Trustee and its counsel, affects the Bonds or the security therefor, and shall do so if requested in writing by the Owners of at least 5% of the aggregate principal amount of Bonds then Outstanding, provided the Trustee shall have no duty to take such action unless it has been indemnified to its reasonable satisfaction against all risk or liability arising from such action.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. 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 instructions conflict or are inconsistent with a subsequent written instruction. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions 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.

Section 7.05. Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State of California) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional institution as a separate or co-trustee. The following provisions of this Section are adopted to these ends.

In the event that the Trustee appoints an additional institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them. Any co-trustee shall be bound by the standards of care, duties and obligations of the Trustee under this Indenture as if such co-trustee were the Trustee. Any co-trustee shall be a national banking association, trust company or commercial bank doing business in the State of California and at all times shall have a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authorities. If such national banking association, trust company or commercial bank publishes a report of condition at least annually, pursuant to

law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such national banking association, trust company or commercial bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Should any instrument in writing from the Authority or the City be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority or the City. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate trustee or co-trustee.

ARTICLE VIII

SUPPLEMENTAL INDENTURES

Section 8.01. Supplemental Indentures. (a) This Indenture and the rights and obligations of the Authority, the City, the Trustee and the Owners hereunder may be modified or amended at any time by a Supplemental Indenture, which the Authority, the City and the Trustee may enter into when the prior written consents of the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 10.06 hereof, are filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bond, reduce the amount of principal thereof or the rate of interest thereon or alter the redemption provisions with respect thereto, 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 Lease Revenues 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 Lease Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all Bonds then Outstanding, or (iv) amend this Section without the prior written consent of the Owners of all Bonds then Outstanding.

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

(i) to add to the covenants and agreements of the Authority or the City 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 Authority or the City;

(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 or in regard to questions arising hereunder which the Authority or the City may deem desirable or necessary and not inconsistent herewith;

(iii) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of Section 2.04 and Section 2.05 hereof;

(iv) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of interest on Tax-Exempt Bonds or maintain any federal interest subsidies expected to be received with respect to any Bonds; and

(v) for any other reason, provided such amendment or supplement does not adversely affect the rights or interests of the Owners; provided, however, that the Authority, the City and the Trustee may rely in entering into any such amendment or supplement upon an Opinion of Counsel stating that the requirements of this paragraph have been met with respect to such amendment or supplement.

(c) Promptly after the execution by the Authority, the City and the Trustee of any Supplemental Indenture, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Authority or the City), 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.

Section 8.02. Effect of Supplemental Indenture. Upon the execution and delivery of any Supplemental Indenture entered into pursuant to subsection (a) or (b) of Section 8.01 hereof, 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 Authority, the City, the Trustee and the Owners 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 8.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the effective date of any Supplemental Indenture pursuant to this Article may and, if the Authority or the City so determines, shall bear a notation by endorsement or otherwise in form approved by the Authority, the City 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 Bond Outstanding at the time of such effective date, and presentation of such Bond for such 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 Authority, the City and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date, and presentation of such Bond for such purpose at the Office of the Trustee, such a new Bond in equal principal amount of the same Series, interest rate and maturity shall be exchanged for such Owner's Bond so surrendered.

Section 8.04. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Owner from accepting any amendment or modification as to any particular Bond owned by it, provided that due notation thereof is made on such Bond.

ARTICLE IX

DEFEASANCE

Section 9.01. Discharge of Indenture. (a) If (i) the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, and (ii) all other amounts due and payable hereunder and under the Lease Agreement shall have been paid, then the Owners shall cease to be entitled to the pledge of the Lease Revenues and the other assets as provided herein, and all agreements, covenants and other obligations of the Authority and the City hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority and the City all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the City all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on the Bonds.

(b) Subject to the provisions of subsection (a) of this Section, when any Bond shall have been paid and if, at the time of such payment, each of the Authority and the City shall have kept, performed and observed all of the covenants and promises in such Bonds and in this Indenture required or contemplated to be kept, performed and observed by it or on its part on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Bond and such Bond shall cease to be entitled to the pledge of the Lease Revenues and the other assets as provided herein, and all agreements, covenants and other obligations of the Authority and the City hereunder shall cease, terminate, become void and be completely discharged and satisfied as to such Bond.

(c) Notwithstanding the discharge and satisfaction of this Indenture or the discharge and satisfaction of this Indenture in respect of any Bond, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bonds, to pay to the Owners of the Bonds the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the discharge and satisfaction of this Indenture, the provisions of Section 7.03 hereof relating to the compensation of the Trustee shall remain in effect and shall be binding upon the Authority, the City and the Trustee.

Section 9.02. Bonds Deemed To Have Been Paid. (a) If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bond and the payment of the interest thereon to the maturity or redemption date thereof, such Bond shall be deemed to have been paid within the meaning and with the effect provided in Section 9.01 hereof. Any Outstanding Bond shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 9.01 hereof if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall

have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 3.05 hereof, notice of redemption of such Bond on said redemption date, said notice to be given in accordance with Section 3.05 hereof, (ii) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient, or (B) Defeasance Securities, 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 interest to become due on such Bond on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bond, and (iii) in the event such Bond is not by its terms subject to redemption within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the owners of such Bond that the deposit required by clause (ii) above has been made with the Trustee and that such Bond is deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bond. Neither the money nor the Defeasance Securities deposited with the Trustee pursuant to this subsection in connection with the deemed payment of Bonds, 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 and pledged to, the payment of the principal of and, premium, if any, and interest on such Bonds.

(b) No Bond shall be deemed to have been paid pursuant to clause (ii)(B) of subsection (a) of this Section unless the Authority or the City shall cause to be delivered (A) an executed copy of a Verification Report with respect to such deemed payment, addressed to the Authority, the City and the Trustee, (B) a copy of the escrow agreement entered into in connection with the deposit pursuant to clause (ii)(B) of subsection (a) of this Section resulting in such deemed payment, which escrow agreement shall provide that no substitution of Defeasance Securities shall be permitted except with other Defeasance Securities and upon delivery of a new Verification Report and no reinvestment of Defeasance Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report, and (C) a copy of an Opinion of Counsel, dated the date of such deemed payment and addressed to the Authority, the City and the Trustee, to the effect that such Bond has been paid within the meaning and with the effect expressed in this Indenture, and all agreements, covenants and other obligations of the Authority and the City hereunder as to such Bond have ceased, terminated, become void and been completely discharged and satisfied.

(c) The Trustee may seek and is entitled to rely upon (i) an Opinion of Counsel reasonably satisfactory to the Trustee to the effect that the conditions precedent to a deemed payment pursuant to clause (ii) of subsection (a) of this Section have been satisfied, and (ii) such other opinions, certifications and computations, as the Trustee may reasonably request, of accountants or other financial consultants concerning the matters described in subsection (b) of this Section.

Section 9.03. Unclaimed Moneys. Any moneys held by the Trustee in trust for the payment and discharge of the principal of, or premium or interest on, any Bonds which remain unclaimed for two years after the date when such principal, premium or interest has become payable, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such principal, premium or interest become payable, shall, at the Written Request of the Authority, be repaid by the Trustee

to the City as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners of such Bonds shall look only to the City for the payment of such principal, premium or interest.

ARTICLE X

MISCELLANEOUS

Section 10.01. Benefits of Indenture Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any Person other than the Authority, the City, the Trustee and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term required herein to be observed or performed by or on behalf of the Authority or the City shall be for the sole and exclusive benefit of the Trustee and the Owners.

Section 10.02. Successor Deemed Included in all References to Predecessor. Whenever the Authority, the City or the Trustee, or any officer thereof, is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Authority, the City or the Trustee, or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the Authority, the City or the Trustee, or any officer thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.03. Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or its attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which such notary public or other officer purports to act that the Person signing such declaration, request or other instrument or writing acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

The ownership of any Bond and the amount, payment date, number and date of owning the same may be proved by the Registration Books.

Any declaration, request or other instrument in writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the Authority, the City or the Trustee in good faith and in accordance therewith.

Section 10.04. Waiver of Personal Liability. Notwithstanding anything contained herein to the contrary, no member, officer or employee of the Authority or the City shall be individually or personally liable for the payment of any moneys, including without limitation, the principal of or interest on the Bonds, but nothing contained herein shall relieve any member, officer or employee of the Authority or the City from the performance of any official duty provided by any applicable provisions of law, by the Lease Agreement or hereby.

Section 10.05. Acquisition of Bonds by Authority or City. All Bonds acquired by the Authority or the City, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

Section 10.06. 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 known by the Trustee to be owned or held by or for the account of the Authority or the City, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City. 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 the request of the Trustee, the Authority and the City shall specify to the Trustee in a Written Certificate of the Authority and a Written Certificate of the City, as applicable, those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such Written Certificates.

Section 10.07. Money Held for Particular Bonds. The money held by the Trustee for the payment of the principal of or premium or interest on particular Bonds due on any date (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, subject, however, to the provisions of Section 9.03 hereof, but without any liability for interest thereon.

Section 10.08. Funds and Accounts. Any fund or account required to be established and maintained pursuant hereto by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund, but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners. The Trustee may establish such funds and accounts as it deems necessary to perform its obligations hereunder.

The Trustee may commingle any of the moneys held by it hereunder for investment purposes only; provided, however, that the Trustee shall account separately for the moneys in each fund or account established pursuant to this Indenture.

Section 10.09. Gender and References; Article and Section Headings. The singular form of any word used herein, including the terms defined in Section 1.01 hereof, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders. The headings or titles of the several Articles and Sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. Unless the context otherwise clearly requires, all references herein to "Articles," "Sections," subsections or clauses are to the corresponding Articles, Sections, subsections or clauses hereof, and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, subsection or clause hereof.

Section 10.13. Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture and, unless otherwise specifically provided in this Indenture, no interest shall accrue for the period from and after such nominal date.

Section 10.14. Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority has caused this Indenture to be signed in its name by its representative thereunto duly authorized, the City has caused this Indenture to be signed in its name by its representative 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.

**HUNTINGTON BEACH PUBLIC
FINANCING AUTHORITY**

By: _____

ATTEST:

Robin Estanislau,
Secretary

CITY OF HUNTINGTON BEACH

By: _____

U.S. BANK NATIONAL ASSOCIATION

By: _____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2020 BOND

No. R-

§

**HUNTINGTON BEACH PUBLIC FINANCING AUTHORITY
(ORANGE COUNTY, CALIFORNIA)
LEASE REVENUE REFUNDING BOND, SERIES 2020[A][B]
[(TAX-EXEMPT)][(FEDERALLY TAXABLE)]**

MATURITY DATE	INTEREST RATE	DATED DATE	CUSIP NO.
May 1, 20__	___%	_____, 20__	

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: _____ DOLLARS

The Huntington Beach Public Financing Authority (the “Authority”), for value received, hereby promises to pay to the Registered Owner identified above or registered assigns (the “Registered Owner”), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like lawful money from the date hereof, payable semiannually on May 1 and November 1 in each year, commencing _____, 20__ (the “Interest Payment Dates”), until payment of such Principal Amount in full. This Bond is issued pursuant to the Master Indenture, dated as of [_____] 1, 2020 (the “Indenture”), by and among the Authority, the City of Huntington Beach (the “City”) and U.S. Bank National Association, as trustee. Capitalized undefined terms used herein have the meanings ascribed thereto in the Indenture.

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, whether or not such day is a business day, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to _____ 15, 20__, 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 duly provided for). The Principal Amount hereof is payable upon surrender hereof upon maturity at the principal corporate trust office of U.S. Bank National Association, as trustee, or any successor trustee under the Indenture (the “Trustee”), in Los Angeles, California, or such other office as may be specified to the Authority and the City by the Trustee in writing (the “Office of the Trustee”). Interest hereon is payable by check of the Trustee, mailed by first class mail 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 is one of a series of a duly authorized issue of bonds designated “Huntington Beach Public Financing Authority (Orange County, California) Lease Revenue Refunding Bonds, 2020 Series [A][B] [(Tax-Exempt)][(Federally Taxable)]” (the “Series 2020[A][B] Bonds”) in the aggregate principal amount of \$[_____]. The Series 2020[A][B] Bonds are issued pursuant to the Indenture, and this reference incorporates the Indenture herein. An additional series of bonds, the Huntington Beach Public Financing Authority (Orange County, California) Lease Revenue Refunding Bonds, 2020 Series [A][B] [(Tax-Exempt)][(Federally Taxable)] (the “Series 2020[A][B] Bonds”), in the aggregate principal amount of \$[_____], have also been issued pursuant to the terms of the Indenture. The Series 2020A Bonds and the Series 2020B Bonds are collectively referred to at the “Series 2020 Bonds.” Pursuant to and as more particularly provided in the Indenture, Additional Bonds may be issued by the Authority payable from Lease Revenues as provided in the Indenture on a parity with the Series 2020 Bonds. The Series 2020 Bonds and any Additional Bonds are collectively referred to as the “Bonds.” The Indenture is entered into, and this Bond is issued under, the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 *et seq.* of the California Government Code (the “Act”) and the laws of the State of California.

Reference is hereby made to the Indenture and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms securing the Bonds, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights, duties and immunities of the Trustee, for the rights and remedies of the Owners of the Bonds with respect thereto and for the other agreements, conditions, covenants and terms upon which the Bonds are issued thereunder, to all of which provisions the Registered Owner by acceptance hereof, assents and agrees.

The Bonds are special obligations of the Authority, payable solely from the Lease Revenues and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the City or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds. The Lease Revenues consist of all Base Rental Payments payable by the City pursuant to the Master Lease Agreement, dated as of [_____] 1, 2020, by and between the City, as lessee, and the Authority, as lessor, (the “Lease Agreement”), including any prepayments thereof, any Net Proceeds and any amounts received by the Trustee as a result of or in connection with the Trustee’s pursuit of remedies under the Lease Agreement upon a Lease Default Event. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Lease Revenues and all amounts on deposit from time to time in the funds and accounts established under the Indenture (other than the Rebate Fund) are pledged to the payment of the principal of and interest on the Bonds as provided therein, and the Lease Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding. Said pledge constitutes a first lien on such assets. In order to secure such pledge of the Lease Revenues, the Authority has sold assigned and transferred to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the Owners, all of its right, title and interest in and to the Site Lease and the Lease Agreement, including, without limitation, the right to receive Base Rental Payments and the right to exercise any remedies provided in the Lease Agreement in the event of a default by the City thereunder; provided, however, that the Authority has retained the rights to indemnification and to payment or reimbursement of its reasonable costs and expenses under the Lease Agreement.

The Bonds are issuable as fully registered Bonds without coupons in Authorized Denominations (\$5,000 or any integral multiple thereof).

[The Series 2020 Bonds are subject to extraordinary, optional and mandatory redemption at the times, in the manner, at the redemption prices and upon notice as specified in the Indenture.]

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 Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the 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 the same Series and maturity of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture may be amended or supplemented by the parties thereto.

The Indenture contains provisions permitting the Authority to make provision for the payment of interest on, and the principal and premium, if any, of any of the Bond so that such Bonds shall no longer be deemed to be outstanding under the terms of the Indenture.

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of 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.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Authority has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of the Chair of the Authority, attested by the

manual or facsimile signature of the Secretary of the Authority, all as of the Dated Date identified above.

**HUNTINGTON BEACH PUBLIC
FINANCING AUTHORITY**

By: _____
Chair

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2020 Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Dated: _____

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

By: _____
Authorized Signatory

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 guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

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.

EXHIBIT B

PERMITTED INVESTMENTS

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

(1) (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively “United States Obligations”). These include, but are not necessarily limited to:

- U.S. Treasury obligations
All direct or fully guaranteed obligations
- Farmers Home Administration
Certificates of beneficial ownership
- General Services Administration
Participation certificates
- U.S. Maritime Administration
Guaranteed Title XI financing
- Small Business Administration
Guaranteed participation certificates
- Guaranteed pool certificates
- Government National Mortgage Association (GNMA)
GNMA-guaranteed mortgage-backed securities
GNMA-guaranteed participation certificates
- U.S. Department of Housing & Urban Development
Local authority bonds

(2) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board (“FHLB”); (b) the Federal Home Loan Mortgage Corporation (“FHLMC”); (c) the Federal National Mortgage Association (FNMA); (d) Federal Farm Credit Bank (“FFCB”); and (e) guaranteed portions of Small Business Administration (“SBA”) notes.

(3) Commercial Paper having a maximum maturity of not more than 270 days, payable in the United States of America and issued by corporations that are organized and operating in the United States with total assets in excess of \$500 million and having “A” or better rating for the

issuer's long-term debt as provided by Moody's, S&P, or Fitch and "P-1", "A-1", "F1" or better rating for the issuer's short-term debt as provided by Moody's, S&P, or Fitch, respectively.

(4) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as "bankers' acceptances," having original maturities of not more than 180 days. The institution must have a minimum short-term debt rating of "A-1", "P-1", or "F1" by S&P, Moody's, or Fitch, respectively, and a long-term debt rating of no less than "A" by S&P, Moody's, or Fitch.

(5) Shares of beneficial interest issued by diversified management companies, known as money market funds, registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and whose fund has received the highest possible rating from S&P, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services.

(6) Shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the Government Code of California, as it may be amended.

(7) Certificates of deposit issued by a nationally- or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank, in each case which has, or which is a subsidiary of a parent company which has, obligations outstanding having a rating in the "A" category or better from S&P, Moody's, or Fitch.

(8) Pre-refunded municipal obligations rated meeting the following requirements:

(a) the municipal obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(9) Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State of California or by the state, department, board, agency, or authority of the other 49 United States, having a long-term debt rating of at least “AA-” or “Aa3” by S&P or Moody’s, respectively

(10) California public municipal obligations including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a California municipal entity having a long-term debt rating of at least “AA-” or “Aa3” by S&P or Moody’s, respectively

(11) Repurchase agreements which have a maximum maturity of 30 days and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with number (ii) above.

(12) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least “AA-” or “Aa3” by S&P or Moody’s, respectively.

(13) Deposits with the Local Agency Investment Fund (LAIF) of the State.

(14) Corporate obligations 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 having a long-term debt rating of at least “AA-” or “Aa3” by S&P or Moody’s, respectively.

EXHIBIT C

FORM OF COSTS OF ISSUANCE FUND REQUISITION

**HUNTINGTON BEACH PUBLIC FINANCING AUTHORITY
(ORANGE COUNTY, CALIFORNIA)
LEASE REVENUE REFUNDING BONDS, SERIES 2020A
(TAX-EXEMPT)**

AND

**HUNTINGTON BEACH PUBLIC FINANCING AUTHORITY
(ORANGE COUNTY, CALIFORNIA)
LEASE REVENUE REFUNDING BONDS, SERIES 2020B
(FEDERALLY TAXABLE)**

WRITTEN REQUEST NO. __ FOR DISBURSEMENTS FROM COSTS OF ISSUANCE

The undersigned hereby states and certifies:

(a) that the undersigned is the duly appointed, qualified and acting _____ of the City of Huntington Beach, a municipal corporation and chartered city organized and existing under and by virtue of the laws of the State of California (the “City”), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(b) that U.S. Bank National Association, as trustee (the “Trustee”), is hereby requested to disburse from the Costs of Issuance Fund, established pursuant to the Master Indenture, dated as of [_____] 1, 2020 (the “Indenture”), by and among the Huntington Beach Public Financing Authority, the City and the Trustee, to the payees set forth on Attachment I attached hereto and by this reference incorporated herein, the amount set forth on Attachment I opposite each such payee, for payment of such costs identified on said Attachment I;

(c) that each item of cost identified on Attachment I has been properly incurred and the amounts to be disbursed pursuant to this Written Request are for Costs of Issuance properly chargeable to the Costs of Issuance Fund, and no amounts to be disbursed pursuant to this Written Request have been the subject of a previous Written Request for disbursement from said account; and

(d) that an invoice, for each item of cost identified on Attachment I is attached hereto.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture.

Dated: _____

CITY OF HUNTINGTON BEACH

By: _____

ATTACHMENT I

COST OF ISSUANCE FUND DISBURSEMENTS

<u>Payee Name and Address</u>	<u>Purpose of Obligation</u>	<u>Amount</u>
--------------------------------------	-------------------------------------	----------------------