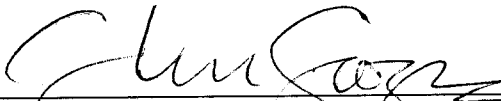


THE ATTACHED AGREEMENT HAS BEEN REVIEWED
AND APPROVED AS TO FORM BY THE CITY
ATTORNEY'S OFFICE AND WILL BE
FORMALLY SIGNED UPON APPROVAL BY
THE CITY COUNCIL



Glen R. Googins
City Attorney

Dated: 6/11/15

INDENTURE OF TRUST
BETWEEN
CHULA VISTA MUNICIPAL FINANCING AUTHORITY
AND
U.S. BANK NATIONAL ASSOCIATION
(SPECIAL TAX REVENUE REFUNDING BONDS, SERIES 2015A)

INDENTURE OF TRUST

By and Between

CHULA VISTA MUNICIPAL FINANCING AUTHORITY

and

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

Dated as of July 1, 2015

Relating to

**\$ _____
Chula Vista Municipal Financing Authority
Special Tax Revenue Refunding Bonds, Series 2015A**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (the "Indenture") dated as of July 1, 2015, by and between the CHULA VISTA MUNICIPAL FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under and by virtue of the laws of the State of California (the "Authority"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, organized and existing under the laws of United States of America and having a corporate trust office in Los Angeles, California, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Authority is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated June 11, 2013, between the City of Chula Vista (the "City") and the Chula Vista Housing Authority (the "Housing Authority"), and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations to provide financing and refinancing for capital improvements of member entities of the Authority and other local agencies including, but not limited to, community facilities districts formed by either the City or the Housing Authority; and

WHEREAS, the Community Facilities Districts (defined in Section 1.01 hereto), for the purpose of financing the acquisition or construction of certain public improvements, previously issued the Prior Special Tax Bonds (as defined in Section 1.01 hereto); and

WHEREAS, as a result of favorable interest rate conditions in the municipal bond market the Community Facilities Districts desire to defease and refund the Prior Special Tax Bonds; and

WHEREAS, the Authority, for the purpose of acquiring the Special Tax Refunding Bonds (as defined in Section 1.01 hereto) the proceeds of which will be utilized to defease and refund the Prior Special Tax Bonds, has determined to issue its Special Tax Revenue Refunding Bonds, Series 2015A in the principal amount of \$_____ (the "Bonds") pursuant to and secured by this Indenture providing for the issuance of the Bonds, all in the manner provided herein; 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 to secure the payment of the principal thereof, premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, the Authority certifies 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, binding and legal 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 the Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and premium (if any) 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 considerations, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Act” means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California.

“Agreement” means that certain Joint Exercise of Powers Agreement, dated June 11, 2013, by and between the City and the Housing Authority and as hereafter duly amended and supplemented from time to time, creating the Authority for the purposes, among other things, of assisting the City and the Housing Authority in the financing and refinancing of Public Capital Improvements, as such term is defined in the Bond Law.

“Annual Debt Service” means: (i) for each Bond Year as applied to the Bonds, the sum of (a) the interest payable on the Outstanding Bonds in such Bond Year and (b) the principal amount of the Outstanding Bonds, including mandatory sinking fund payments, scheduled to be paid in such Bond Year or (ii) for each Bond Year as applied to any Series of Special Tax Refunding Bonds, the sum of (a) the interest payable on such outstanding Special Tax Refunding Bonds in any Bond Year and (b) the principal amount of such outstanding Special Tax Refunding Bonds in such Bond Year, including mandatory sinking fund payments, scheduled to be paid in such Bond Year.

“Authority” means the Chula Vista Municipal Financing Authority, a joint powers authority organized and existing under the Agreement and under and by virtue of the laws of the State of California.

“Authority Administrative Expenses” means all actual costs and expenses incurred in connection with the administration of the Bonds, including but not limited to: (a) the fees and expenses payable to the Trustee, and its counsel, and other Persons for professional services rendered in connection with the administration, continuing disclosure and rebate obligations of or for the Bonds; and (b) fees and expenses of Independent Accountants for preparation of audits required by this Indenture.

“Authorized Denomination” means the principal amount or maturity amount, as applicable, of \$5,000 or any integral multiple thereof.

“Authorized Representative” means: (a) with respect to the Authority, its Chairman, Vice Chairman, Executive Director, Secretary, Treasurer, or any other Person designated as an Authorized Representative of the Authority by a certificate of the Authority signed by its Executive Director and filed with the Community Facilities District, the Authority and the Trustee; (b) with respect to the City, its Mayor, Deputy Mayor, City Manager, Deputy City Manager, Director of Finance (if such position is separate and apart from that of the Deputy City Manager), Assistant Director of Finance or any other Person designated as an Authorized Representative of the City by a certificate signed on behalf of the City by its City Manager and filed with the Authority and the Trustee; (c) with respect to each of the Community Facilities Districts, the Authorized Representative of the City, or any other Person designated as an Authorized Representative of the City by a certificate signed on behalf of such Community Facilities District by the City Manager and filed with the Authority and the Trustee; and (d) with respect

to the Trustee, the President, any Vice President, any Assistant Vice President, any Senior Authorized Officer, or any Trust Officer of the Trustee, and when used with reference to any act or document also means any other Person authorized to perform such act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee. An Authorized Representative may by written instrument designate any Person to act on his or her behalf.

“Bond Counsel” means the law firm of Best Best & Krieger LLP, San Diego, California, and any successor firm or any other firm of nationally recognized bond counsel acceptable to the Authority.

“Bond Law” means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act (commencing with Section 6584), as amended from time to time.

“Bond Purchase Agreement” means an agreement to purchase the Bonds by and among the Underwriter of the Bonds, the Authority, and the Community Facilities Districts.

“Bond Year” means each twelve-month period beginning on September 2 of each year and ending on September 1 of the following year. With respect to the Bonds, the first such Bond Year shall begin on the Closing Date and end on September 1, 2015.

“Bonds” means the \$_____ Chula Vista Municipal Financing Authority Special Tax Revenue Refunding Bonds, Series 2015A.

“Business Day” means a day which is not a Saturday, Sunday, or legal holiday on which banking institutions in the State of California, or in any state in which the Principal Office of the Trustee is located, or the New York Stock Exchange are closed. If any payment hereunder is due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such previous day.

“Certificate of Authentication” means the Trustee’s Certificate of Authentication, the form of which is attached hereto in Exhibit A.

“CFD Bonds Reserve Fund Credit Amount” means, as applied in Section 5.07 to each Series of Special Tax Refunding Bonds, that amount equal to the cash deposited in the Reserve Fund on the Closing Date multiplied by a fraction with the numerator equal to the principal of such Series of Special Tax Bonds and the denominator equal to the aggregate principal of the Special Tax Bonds. The CFD Bond Reserve Fund Credit Amount for each Series of the Special Tax Refunding Bonds is:

- (a) CFD No. 07-I ST Refunding Bonds..... \$_____;
- (b) CFD No. 12-1 ST Refunding Bonds \$_____;
- (c) CFD No. 13-I ST Refunding Bonds..... \$_____; and
- (d) CFD No. 2001-1 IA B ST Refunding Bonds \$_____.

“City” means the City of Chula Vista, a municipal corporation organized under its charter and the laws of the State.

“Closing Date” means the date on which the Bonds are delivered to the Underwriter thereof.

“Community Facilities District” or **“CFD”** means, individually, CFD No. 07-I, CFD No. 12-I, CFD No. 13-I or CFD No. 2001-1.

“Community Facilities Districts” or **“CFDs”** means, collectively, CFD No. 07-I, CFD No. 12-I, CFD No. 13-I or CFD No. 2001-1.

“Community Facilities District No. 07-I” or **“CFD No. 07-I”** means the City of Chula Vista Community Facilities District No. 07-I (Otay Ranch Village Eleven), a community facilities district formed pursuant to the Mello-Roos Act.

“Community Facilities District No. 12-I” or **“CFD No. 12-I”** means the City of Chula Vista Community Facilities District No 12-I (McMillin - Otay Ranch - Village Seven), a community facilities district formed pursuant to the Mello-Roos Act.

“Community Facilities District No. 13-I” or **“CFD No. 13-I”** means the City of Chula Vista Community Facilities District No. 13-I (Otay Ranch Village Seven), a community facilities district formed pursuant to the Mello-Roos Act.

“Community Facilities District No. 2001-1” or **“CFD No. 2001-1”** means the City of Chula Vista Community Facilities District No. 2001-1 (San Miguel Ranch), a community facilities district formed pursuant to the Mello-Roos Act.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority relating to the authorization, issuance, sale and delivery of the Bonds and the Special Tax Refunding Bonds, including but not limited to underwriter’s discount, printing expenses, rating agency fees, filing and recording fees, initial fees, expenses and charges and first annual administrative fee of the Trustee and fees of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and the Special Tax Refunding Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds and the Special Tax Refunding Bonds.

“Defeasance Obligations” means those investments identified in paragraph A of the Permitted Investments specified in Exhibit B hereto and which are non-callable.

“DTC” shall have the meaning given such term in Section 2.05 hereto.

“Event of Bankruptcy” means, with respect to any Person, the filing of a petition in bankruptcy or the commencement of a proceeding under the United States Bankruptcy Code or any other applicable law concerning insolvency, reorganization or bankruptcy by or against such Person as debtor, other than any involuntary proceeding which has been finally dismissed without entry of an order for relief or similar order as to which all appeal periods have expired.

“Event of Default” means any of the events of default specified in Section 7.01.

“Fiscal Agent” means U.S. Bank National Association, or its successor, as Fiscal Agent under the Fiscal Agent Agreement.

“Fiscal Agent Agreement” or **“Fiscal Agent Agreements”** means the Fiscal Agent Agreement or Fiscal Agent Agreements, each dated as of July 1, 2015, by and between the Community Facilities District and the Fiscal Agent as originally executed or as it or they may from time to time be supplemented, modified or amended, pertaining to any series of Special Tax Refunding Bonds.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Authority and certified to the Trustee in writing by an Authorized Representative of the Authority.

“Housing Authority” means the Chula Vista Housing Authority

“Improvement Area” means CFD No. 2001-1 Improvement Area B

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

“Independent Accountant” means any nationally recognized firm of certified public accountants or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by the Authority, and who, or each of whom:

- (a) is, in fact, independent and not under domination of the Authority, the City or the Community Facilities District;

(b) does not have any substantial interest, direct or indirect, with the Authority, the City or the Community Facilities District; and

(c) is not connected with the Authority, the City or the Community Facilities District as an officer or employee of the Authority, the City or the Community Facilities District, but who may be regularly retained to make reports to the Authority, the City or the Community Facilities District.

“Independent Financial Consultant” means any financial consultant or firm of such financial consultants appointed by the Authority and who, or each of whom:

(a) is judged by the Authority to have experience with respect to the financing of public capital improvement projects;

(b) is, in fact, independent and not under the domination of the Authority, the City, or the Community Facilities District;

(c) does not have any substantial interest, direct or indirect, with the Authority, the City, or the Community Facilities District; and

(d) is not connected with the Authority, the City, or the Community Facilities District as an officer or employee of the Authority, the City, or the Community Facilities District, but who may be regularly retained to make reports to the Authority, the City, or the Community Facilities District.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>); and, in accordance with then current guidelines of the Securities and Exchange Commission, and such other addresses and/or such other services providing information with respect to called bonds as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

[**“Insurance Policy”** means the municipal bond insurance policy issued by guaranteeing the scheduled payment of the principal of and interest on the Bonds when due, as provided in this Indenture.]

[**“Insurer”** means _____.]

“Interest Account” means the account by that name established with the Trustee with respect to the Bonds pursuant to the Indenture and to be administered as prescribed in Section 5.03.

“Interest Payment Date” means March 1 and September 1, commencing March 1, 2016.

“Maximum Annual Debt Service” means, as to the Bonds or any Series of Special Tax Refunding Bonds, as applicable, as of any date of calculation, the largest Annual Debt Service, during the current or any future Bond Year.

“Mello-Roos Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Sections 53311 *et seq.*

“Moody’s” means Moody’s Investors Service, its successors and assigns.

“Nominee” shall have the meaning given such term in Section 2.05 hereto.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.12) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except (a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including particular Bonds (or portions of Bonds) described in Section 11.12; 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. When

used as of any particular time with reference to any Series of the Special Tax Refunding Bonds, “Outstanding” shall have the meaning given such term in the applicable Fiscal Agent Agreement.

“**Owner**” or “**Bond Owner,**” whenever used herein with respect to a Bond, means the Person in whose name the ownership of such Bond is registered on the Registration Books.

“**Permitted Investments**” means any of the investments listed in Exhibit B hereto.

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

“**Principal Account**” means the account by that name established with the Trustee with respect to the Bonds pursuant to the Indenture and to be administered as provided in Section 5.04.

“**Principal Office**” means such global corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the Authority, initially being in Los Angeles, California, except that with respect to presentation of Bonds for payment or for registration of transfer or exchange or maintenance of the Registration Books, such term shall mean the office of the Trustee at which its corporate agency business shall be conducted.

“**Principal Prepayments**” means any amounts received by the Trustee representing a prepayment of principal of any issue of Special Tax Refunding Bonds, whether at maturity of such issue of Special Tax Refunding Bonds or upon the prior redemption, prepayment or acceleration thereof.

“**Prior Special Tax Bonds**” means the following:

- (a) \$16,950,000 City of Chula Vista Community Facilities District No. 07-I (Otay Ranch Village Eleven) 2006 Special Tax Bonds (the “**CFD No. 07-1 ST Refunding Bonds**”);
- (b) \$22,565,000 City of Chula Vista Community Facilities District No. 12-I (McMillin – Otay Ranch – Village Seven) 2005 Special Tax Bonds (the “**CFD No. 12-1 ST Refunding Bonds**”);
- (c) \$16,620,000 City of Chula Vista Community Facilities District No. 13-I (Otay Ranch Village Seven) 2006 Special Tax Bonds (the “**CFD No. 13-1 ST Refunding Bonds**”); and
- (d) \$12,230,000 City of Chula Vista Community Facilities District No. 2001-1 (San Miguel Ranch) 2005 Improvement Area B Special Tax Bonds (the “**CFD No. 2001-1 IA B ST Refunding Bonds**”).

“**Proceeds**” means the face amount of the Bonds, plus accrued interest and original issue premium, if any, less original issue discount, if any.

“**Program Fund**” means the fund by that name established and held by the Trustee with respect to the Bonds pursuant to the Indenture and to be maintained as provided in Section 3.03.

“**Proportionate Share**” means, as of the date of calculation for any Series of the Special Tax Refunding Bonds when computing the proportionate share allocable to such Special Tax Refunding Bonds among all Outstanding Special Tax Refunding Bonds for any Bond Year, the ratio derived by dividing the annual debt service for such Special Tax Refunding Bonds due and payable during such Bond Year by the then aggregate annual debt service for all Special Tax Refunding Bonds due and payable during such Bond Year.

“**Rebate Fund**” means the fund by that name established with the Trustee with respect to the Bonds pursuant to the Indenture and to be administered as prescribed in Section 5.08.

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

“**Redemption Account**” means the account by that name established with the Trustee with respect to the Bonds pursuant to the Indenture and to be administered as provided in Section 5.06.

“Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.05.

“Representation Letter” means the letter of representations from the Authority to, or other instrument or agreement of the Authority with, DTC in which the Authority, among other things, makes certain representations to such depository with respect to the Bonds, the payment thereof and delivery of notices with respect thereto.

“Requisition” means a written requisition signed in the name of the Authority by its Authorized Representative.

“Reserve Fund” means the fund by that name established and held by the Trustee with respect to the Bonds pursuant to the Indenture and to be administered as provided in Section 5.07.

“Reserve Requirement” means (i) as of any date of calculation on and after the Closing Date to and including September 1, 2034, an amount equal to 100% of the Maximum Annual Debt Service on the Bonds between such date of calculation and the Bond Year ending September 1, 2034 or (ii) as of any date of calculation on and after September 2, 2034, an amount equal to [58.77%] of average Annual Debt Service on the Bonds. Notwithstanding the foregoing, the Reserve Requirement shall, as of any date of calculation, not exceed the least of (a) 125% of the average Annual Debt Service on the Bonds for that and any subsequent Bond Year; (b) the Maximum Annual Debt Service on the Bonds for that or any subsequent Bond Year; or (c) 10% of the issue price (within the meaning of section 148 of the Tax Code) of the Bonds. The Reserve Requirement as of the Closing Date shall be \$_____.

“Residual Account” means the account by that name established and held by the Trustee with respect to the Bonds pursuant to the Indenture and to be administered as provided in Section 5.05.

“Revenue Fund” means the fund by that name established and held by the Trustee with respect to the Bonds pursuant to the Indenture and to be administered as provided in Section 5.01 and 5.02.

“Revenues” means, with respect to the Bonds: (a) all amounts derived from the Special Tax Refunding Bonds and (b) investment income with respect to the funds and accounts established hereunder (excepting therefrom the Administrative Expense Fund (as defined in each Fiscal Agent Agreement) and the Rebate Fund).

“RMA” shall have the meaning given such term in the Fiscal Agent Agreement applicable to a particular Series of Special Tax Refunding Bonds.

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, its successors and assigns.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 25th Floor, New York, N.Y. 10041-0099 Attn. Call Notification Department, Fax (212) 855-5004; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

“Special Record Date” means the date established by the Trustee pursuant to Section 2.02 as a record date for the payment of defaulted interest on the Bonds, if any.

“Special Tax Refunding Bonds” means, collectively, those series of special tax bonds designated as:

- (a) \$_____ City of Chula Vista Community Facilities District No. 07-I (Otay Ranch Village Eleven) Special Tax Refunding Bonds, Series 2015A (the “CFD No. 07-I ST Refunding Bonds”);

- (b) \$_____ City of Chula Vista Community Facilities District No. 12-I (McMillin – Otay Ranch – Village Seven) Special Tax Refunding Bonds, Series 2015A (the “CFD No. 12-I ST Refunding Bonds”);
- (c) \$_____ City of Chula Vista Community Facilities District No. 13-I (Otay Ranch Village Seven) Special Tax Refunding Bonds, Series 2015A (“CFD No. 13-I ST Refunding Bonds”); and
- (d) \$_____ City of Chula Vista Community Facilities District No. 2001-1 (San Miguel Ranch) Improvement Area B Special Tax Refunding Bonds, Series 2015A (“CFD No. 2001-1 IA B ST Refunding Bonds”).

Each such series of Special Tax Refunding Bonds may be referred to as a “**Series.**”

“**Special Tax Refunding Bonds Prepayment Reserve Fund Credit**” means, as to any parcel within a CFD or the Improvement Area, as applicable, for which the Special Tax obligation is to be prepaid pursuant to the RMA applicable thereto, the amount, if any, by which the Reserve Requirement will be reduced as a consequence of the mandatory redemption of Bonds from Principal Prepayments that resulted from such prepayment of such Special Tax obligation.

“**Special Taxes**” has the meaning given such term in the applicable Fiscal Agent Agreement.

“**Supplemental Indenture**” means a Supplemental Indenture of Trust providing for any matter herein authorized, entered into by and between the Authority and the Trustee pursuant to the provisions of this Indenture.

[“**Surety Bond**” means the municipal bond debt service reserve insurance policy issued as Policy Number _____.]

“**Tax Certificate**” means the certificate delivered by the Authority upon the delivery of the Bonds relating to Section 148 of the Code, or any functionally similar replacement certificate.

“**Tax Code**” means the Internal Revenue Code of 1986, as amended from time to time. Any reference to a provision of the Tax Code shall include the applicable Tax Regulations promulgated with respect to such provision.

“**Tax Regulations**” means temporary and permanent regulations promulgated under Section 103 and related sections of the Tax Code.

“**Trustee**” means U.S. Bank National Association, or its successor, as Trustee hereunder as provided in Section 8.01, or such other trustee as shall be named, provided such other trustee shall meet the requirements of Article VIII hereof.

“**Underwriter**” means, Stifel, Nicolaus & Company, Incorporated.

“**Written Certificate**” and “**Written Request**” of the Authority or a Community Facilities District mean, respectively, a written certificate or written request signed in the name of the Authority by its Authorized Representative or in the name of such Community Facilities District by its Authorized Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02, each such certificate or request shall include the statements provided for in Section 1.02.

Section 1.02. Content of Certificates and Opinions. Any certificate or opinion made or given by an officer of the Authority or a Community Facilities District or Community Facilities Districts may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an accountant or a financial consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any

such certificate or opinion made or given by counsel, an accountant or a financial consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority or a Community Facilities District or Community Facilities Districts, as the case may be) upon a certificate or opinion of or representation by an officer of the Authority or the Community Facilities District, unless such counsel, accountant or financial consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Authority or a Community Facilities District, or the same counsel, accountant or financial consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers, counsel, accountants or financial consultants may certify to different matters, respectively.

Section 1.03. Interpretation. Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

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

All references herein to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections, or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.04. Authorization and Purpose of Bonds. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines, that all things, conditions and acts required by law to exist, happen and/or be 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, and the Authority is now authorized under the Agreement and the Bond Law and each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture. Accordingly, the Authority hereby authorizes the issuance of the Bonds pursuant to the Bond Law and this Indenture for the purpose of providing funds to acquire the Special Tax Refunding Bonds from the Community Facilities Districts.

Section 1.05. Indenture Constitutes Contract; 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 between the Authority and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over other Bonds by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds. The Authority hereby authorizes the issuance of the Bonds hereunder and under the Bond Law, the Bonds to constitute special obligations of the Authority, for the purpose of providing moneys to finance the acquisition by the Authority of the Special Tax Refunding Bonds. The Bonds shall be issued in the principal amount of \$_____, are hereby designated the “Chula Vista Municipal Financing Authority Special Tax Revenue Refunding Bonds, Series 2015A,” and shall be issued for the purpose of acquiring the Special Tax Refunding Bonds. This Indenture constitutes a continuing agreement with the Owners from time to time of the Bonds to secure the full and timely payment of the principal of and interest on all such Bonds, subject to the covenants, provisions and conditions herein.

Section 2.02. Terms of the Bonds. The Bonds shall be issued in fully registered form without coupons in any Authorized Denomination. The Bonds shall be dated the Closing Date, shall mature (subject to prior redemption) on September 1 in each of the years and in the amounts and shall bear interest at the rate or rates per annum, calculated on the basis of a 360-day year of twelve 30-day months, set forth in the Indenture. The Bonds shall mature on the dates and in the respective principal amounts and shall bear interest at the respective rates per annum, as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>
	\$	%

Interest on the Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date; (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Dated Date provided in the form of the Bonds; or (iii) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable

from the date to which interest has been paid in full, payable on each Interest Payment Date. Interest shall be paid on each Interest Payment Date to the Persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date shall be payable to the Person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice of which shall be given to such Owner not less than fifteen (15) days prior to such Special Record Date. Interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date; or by wire transfer made on such Interest Payment Date to any Owner of \$1,000,000 or more in aggregate principal amount of Bonds who shall have requested such transfer pursuant to written notice filed with the Trustee on or before the preceding Record Date.

The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Office of the Trustee. Payment of principal on any Bond shall be made only upon presentation and surrender of such Bond at the Principal Office of the Trustee.

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

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

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 for a like aggregate principal amount or maturity amount, as applicable, in an Authorized Denomination. The Trustee shall require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Section 2.04. Exchange of Bonds. The Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount or maturity amount, as applicable, of Bonds of Authorized Denominations and of the same maturity. The Authority may charge a reasonable sum for each new Bond issued upon any exchange (except in the case of any exchange of temporary Bonds for definitive Bonds and except in the case of the first exchange of any definitive Bond in the form in which it is originally issued) and shall require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be obligated to make any exchange of Bonds during the period selected by the Trustee for the selection of Bonds for redemption, or with respect to any Bonds selected for redemption.

Section 2.05. Registration Books/Book-Entry. The Trustee will keep or cause to be kept, at the Principal Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall be open to inspection during regular business hours and upon reasonable notice by the Authority; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

The Bonds shall be initially executed and delivered in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon initial execution and delivery, the ownership of such Bond shall be registered in the Bond Register in the name of the Nominee identified below as nominee of the Depository Trust Company, New York, New York and its successors and assigns (the “Depository” or “DTC”). Except as hereinafter provided, all of the outstanding Bonds shall be registered in the Bond Register in the name of the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section (the “Nominee”).

With respect to the Bonds registered in the Bond Register in the name of the Nominee, neither the Authority nor the Trustee shall have any responsibility or obligation to any broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository (the “Participant”) or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the Authority nor the Trustee shall have any responsibility or obligation (unless the Authority is at such time the Depository) with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds; (ii) the delivery to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the Authority redeems the Bonds in part; or (iv) the payment to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of prepayment, if applicable, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Authority shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owner of a Bond, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority’s obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Bond, as shown in the Bond Register, shall receive a Bond evidencing the obligation of the Authority to make payments of principal and interest pursuant to this Indenture. Upon delivery by the Depository to the Owners of the Bonds, and the Authority 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 Date, the word “Nominee” in this Indenture shall refer to such nominee of the Depository.

In order to qualify the Bonds for the Depository’s book-entry system, the Authority is executing and delivering to the Depository a Representation Letter in the form prescribed by Depository. The execution and delivery of the Representation Letter shall not in any other way limit the provisions of this Section or in any other way impose upon the Authority any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners of the Bonds, as shown on the Bond Register. In addition to the execution and delivery of the Representation Letter, the Authority shall take such other actions, not inconsistent with this Indenture, as are reasonably necessary to qualify the Bonds for the Depository’s book-entry program.

In the event (i) the Depository determines not to continue to act as securities depository for the Bonds, or (ii) the Depository shall no longer so act and gives notice to the Authority of such determination, then the Authority will 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, per maturity, 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 Bonds

shall no longer be restricted to being registered in the Bond Register in the name of the Nominee, but shall be registered in whatever name or names Owners of the Bonds transferring or exchanging Bonds shall designate, in accordance with provisions of Sections 2.03 or 2.04, hereof, and the Authority shall prepare and deliver Bonds to the Owners thereof for such purpose.

In the event of a reduction in aggregate principal amount of Bonds outstanding or an advance refunding of part of the Bonds outstanding, DTC in its discretion, (a) may request the Authority to prepare and issue a new Bond, or (b) may make an appropriate notation on the Bond indicating the date and amounts of such reduction in principal, but in such event, the Bond Register maintained by the Trustee shall be conclusive as to what amounts are outstanding on the Bond, except in the case of final maturity in which case the Bond must be presented to the Trustee prior to payment.

Notwithstanding any other provisions of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest on such Bond, and all notices with respect to such Bond, shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository and acceptable to the Authority.

The initial Depository under this Article shall be DTC. The initial Nominee shall be Cede & Co., as Nominee of DTC.

Section 2.06. Form and Execution of the Bonds. The Bonds shall be in the form set forth in Exhibit A hereto and shall otherwise comply with the requirements of this Indenture. The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of its Chairman (or any duly authorized deputy to the Chairman) attested by the manual or facsimile signature of its Secretary. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Authority 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 of the Authority, 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.

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

The Bonds shall be issued substantially in the form attached hereto as "Exhibit A" with necessary or appropriate variations, omissions and insertions, as permitted or required by the Indenture.

Section 2.07. Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such Authorized Denominations as may be determined by the 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 it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds shall be surrendered, for cancellation, at the Principal Office of the Trustee and the Trustee shall authenticate and deliver in

exchange for such temporary Bonds an equal aggregate principal amount or maturity amount, as applicable, of definitive Bonds of Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.08. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the 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 be satisfactory to them and indemnity satisfactory to it 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 like tenor in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof upon receipt of the above-mentioned indemnity). 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 issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

ARTICLE III

ISSUANCE OF THE BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of the Bonds. Upon execution and delivery of this Indenture, the Authority shall execute and deliver the Bonds to the Trustee for authentication and delivery to the Underwriter thereof upon the Written Request of the Authority.

Section 3.02. Application of Proceeds of the Bonds. Upon the receipt of payment for the Bonds on the Closing Date, the Trustee shall apply the proceeds of sale thereof by depositing \$_____ (representing the aggregate principal amount of the Bonds of \$_____ *plus* the aggregate net original issue premium of \$_____ *less* the aggregate Underwriter's discount of \$_____ [and *less* the premium for the Municipal Bond Insurance Policy in the amount of \$_____ which shall be wired by the Underwriter directly to the Insurer on the Closing Date]) in the Program Fund.

In addition, the Trustee shall deposit the following amounts received by the Trustee from the Fiscal Agents under the Fiscal Agent Agreements for the Special Tax Refunding Bonds to the following funds and accounts:

(a) in the Costs of Issuance Fund \$_____ for payment of Costs of Issuance to be received from the following sources:

- (i) \$_____ from the proceeds of the CFD No. 07-I ST Refunding Bonds;
- (ii) \$_____ from the proceeds of the CFD No. 12-I ST Refunding Bonds;
- (iii) \$_____ from the proceeds of the CFD No. 13-I ST Refunding Bonds; and
- (iv) \$_____ from the proceeds of the CFD No. 2001-1 IA B ST Refunding Bonds;

(b) in the Reserve Fund \$_____ which is equal to the initial Reserve Requirement to be received from the following sources:

- (i) \$_____ from the proceeds of the CFD No. 07-I ST Refunding Bonds;
- (ii) \$_____ from the proceeds of the CFD No. 12-I ST Refunding Bonds;
- (iii) \$_____ from the proceeds of the CFD No. 13-I ST Refunding Bonds; and
- (iv) \$_____ from the proceeds of the CFD No. 2001-1 IA B ST Refunding Bonds.

Section 3.03. Program Fund. The Trustee shall establish and maintain a separate fund to be known as the "Program Fund" into which shall be deposited the proceeds of the sale of the Bonds pursuant to Section 3.02. The Trustee shall use the proceeds of the Bonds in the Program Fund to purchase the Special Tax Refunding Bonds on the Closing Date as directed in writing by the Authority.

The Special Tax Refunding Bonds shall, upon receipt by the Trustee, be deposited by the Trustee in the Program Fund and maintained therein until such Special Tax Refunding Bonds mature, are redeemed or otherwise disposed of pursuant to this Indenture.

Section 3.04. Costs of Issuance Fund. The Trustee shall establish and maintain a separate fund to be held by the Trustee known as the “Costs of Issuance Fund” into which shall be deposited the amounts set forth in subparagraph (a) of Section 3.02. The moneys in the Costs of Issuance Fund shall be used to pay Costs of Issuance from time to time upon receipt of a Requisition of the Authority. On the date which is one hundred eighty (180) days following the Closing Date, or upon the earlier receipt by the Trustee of a Written Request of the Authority stating that all Costs of Issuance have been paid, the Trustee shall transfer all remaining amounts in the Costs of Issuance Fund to the Revenue Fund and the Trustee shall close the Costs of Issuance Fund.

Section 3.05. Additional Funds and Accounts. The Trustee may establish additional accounts or subaccounts of the funds and accounts described herein as the Trustee shall deem necessary in furtherance of its duties pursuant to this Indenture. Additionally, the Authority may request the establishment of such additional accounts as it deems necessary to meet its obligations pursuant to Article VI hereof and the Trustee shall establish such accounts.

Section 3.06. Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Trustee with respect to or in connection with the acquisition of the Special Tax Refunding Bonds. The recital contained in the Bonds that the same are issued pursuant to the constitution and laws of the State of California shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Redemption; Special Mandatory Redemption.

(a) Optional Redemption of the Bonds. The Bonds maturing on and after September 1, 2026 are subject, at the option of the Authority, to call and redemption from any available source of funds prior to their stated maturity on any date on or after September 1, 2025, as a whole or in part, and by lot, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

For purposes of the selection of Bonds for redemption pursuant to this subsection (a), the Bonds shall be selected for redemption among maturities by the Authority (evidenced pursuant to a Written Certificate of the Authority delivered to the Trustee at least 60 days prior to the redemption date or such later date as shall be acceptable to the Trustee in the sole discretion of the Trustee) on such basis that the debt service on the Special Tax Refunding Bonds on each Interest Payment Date will be sufficient to pay debt service on the Bonds on such Interest Payment Date, as shall be demonstrated in a report of an Independent Financial Consultant filed with the Trustee; provided, however, that no such report need be filed with the Trustee if, after such redemption, no Bonds will be Outstanding.

(b) Mandatory Redemption of the Bonds from Principal Prepayments of the Special Tax Refunding Bonds. The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the Authority, from and to the extent of Principal Prepayments with respect to the Special Tax Refunding Bonds at the following redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), together with accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
March 1, 2016 through March 1, 2023	103%
September 1, 2023 and March 1, 2024	102
September 1, 2024 and March 1, 2025	101
September 1, 2025 and any Interest Payment Date thereafter	100

The principal amount of the Bonds to be redeemed pursuant to this subsection (b) from any such Principal Prepayments shall be the greatest principal amount of Bonds, the redemption price of which is less than or equal to such Principal Prepayments, as specified in a Written Request of the Authority delivered to the Trustee. In the event that a Fiscal Agent for any Series of the Special Tax Refunding Bonds shall mail notice of redemption of any such Special Tax Refunding Bonds which will produce Principal Prepayments, the Trustee shall concurrently mail notice of the redemption of Bonds pursuant to this subsection (b), such redemption to occur on the date fixed for redemption of such Special Tax Refunding Bonds. On the date of such redemption of such Special Tax Refunding Bonds, the proceeds of any such redemption shall be applied by the Trustee to pay the redemption price of Bonds pursuant to this subsection (b).

For purposes of the selection of Bonds for redemption pursuant to this subsection (b), the Bonds shall be selected for redemption among maturities by the Authority (evidenced pursuant to a Written Certificate of the Authority delivered to the Trustee at least 60 days prior to the redemption date or such later date as shall be acceptable to the Trustee in the sole discretion of the Trustee) on such basis that the debt service on the Special Tax Refunding Bonds on each Interest Payment Date will be sufficient to pay debt service on the Bonds on such Interest Payment Date, as shall be demonstrated in a report of an

Independent Financial Consultant filed with the Trustee; provided, however, that no such report need be filed with the Trustee if, after such redemption, no Bonds will be Outstanding.

(c) Mandatory Sinking Fund Redemption. The Outstanding Bonds on September 1, 20__ are subject to mandatory sinking fund redemption in part on September 1, 20__, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium, as follows:

Sinking Fund Redemption Date <u>(September 1)</u>	<u>Principal Amount</u> \$
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(maturity)

The Outstanding Bonds maturing on September 1, 20__, are subject to mandatory sinking fund redemption in part on September 1, 20__, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium, as follows:

Sinking Fund Redemption Date <u>(September 1)</u>	<u>Principal Amount</u> \$
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(maturity)

If some but not all of the Bonds maturing on September 1, 20__ are redeemed pursuant to subsection (a) above, the principal amount of Bonds maturing on September 1, 20__ to be redeemed pursuant to this subsection (c) on any subsequent September 1 will be reduced, by \$5,000 or an integral multiple thereof, as designated by the Authority in a Certificate of the Authority filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of such Bonds maturing on September 1, 20__ redeemed pursuant to subsection (a) above.

If some but not all of the Bonds maturing on September 1, 20__ are redeemed pursuant to subsection (b) above, the principal amount of the Bonds maturing on September 1, 20__ to be redeemed pursuant to the subsection (c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Bonds maturing on September 1, 20__ redeemed pursuant to subsection (b) above, such reduction to be allocated among redemption dates, as determined by the Trustee, so that following such redemption the remaining principal amount of each sinking fund payment on the Bonds maturing on September 1, 20__ will match the principal payment on the Special Tax Refunding Bonds due and payable on the same date, notice of which determination shall be given by the Trustee to the Authority.

Section 4.02. Purchase in Lieu of Redemption. In lieu of redemption under Section 4.01(a) or 4.01(b), moneys in the Redemption Account may be used and withdrawn by the Trustee for purchase of Outstanding Bonds, upon the filing with the Trustee of a Written Certificate of the Authority requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Written Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase, unless a greater purchase price is permitted under the Act and the Authority determines that it will have sufficient

amounts in the Revenue Fund, following such purchase, to pay the principal of and interest on the Bonds as the same shall be due and payable.

Section 4.03. Selection of Bonds of a Maturity for Redemption.

Whenever provision is made in this Indenture for the redemption of less than all of the Bonds of a maturity, the Trustee shall select the Bonds to be redeemed from all Bonds of such maturity not previously called for redemption, by lot in any manner which the Authority in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 Authorized Denominations and such separate Authorized Denominations shall be treated as separate Bonds which may be separately redeemed.

Section 4.04. Notice of Redemption.

(a) Contents of Notice. Notice of redemption shall be mailed by the Trustee, by first class mail, postage prepaid, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books and to the Securities Depositories and the Information Services at least 30 days but not more than 60 days prior to the redemption date. Neither the failure to receive such notice nor any defect in the notice so mailed will affect the sufficiency of the proceedings for redemption of such Bonds or the cessation of accrual of interest on the redemption date. Each notice of redemption shall state the redemption date, the place or places of redemption, the CUSIP numbers and the Bond numbers of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the respective Authorized Denominations of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the principal amount relating thereto or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, plus accrued interest, if any, and through which date such interest will accrue, and that from and after such date interest thereon shall cease to accrue and shall require that such Bonds be then surrendered at the Principal Office of the Trustee. Neither the failure of any Bond Owner to receive any notice so mailed nor any defect therein shall affect the sufficiency of the proceedings for redemption of any Bonds nor the cessation of accrual of interest thereon.

(b) Conditional Notice of Redemption. Any notice of optional redemption of the Bonds delivered in accordance with this Section 4.04 may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds and the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled.

The Authority may rescind any optional redemption and notice thereof for any reason on any date on or prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Redemption Account or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(c) Given On Behalf of the Authority. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

Section 4.05. Partial Redemption of Bonds. In the event that only a portion of any Bond is called for redemption, upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond of Authorized Denominations equal in aggregate principal amount or maturity amount, as applicable, representing the unredeemed portion of the Bond to be redeemed.

Section 4.06. Effect of Notice of Redemption. Notice having been given as aforesaid, and moneys for the redemption (including the interest to the applicable date of redemption and including any applicable premium), having been set aside in the Redemption Fund or any of the accounts therein, the Bonds to be redeemed shall become due and payable on said date of redemption, and, upon presentation and surrender thereof at the Principal Office of the Trustee, said Bonds shall be paid at the redemption price thereof, together with interest, accrued and unpaid to said date of redemption and premium, if any.

If, on said date of redemption, moneys for the redemption of the Bonds to be redeemed, together with interest to said date of redemption, shall be held by the Trustee so as to be available therefor on such date of redemption, and, if notice of redemption thereof shall have been given as aforesaid and not cancelled, then, from and after said date of redemption, interest represented by such 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 for interest thereon.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Article IV shall be cancelled upon surrender thereof and destroyed and the Trustee shall deliver a certificate of destruction of such Bonds to the Authority.

Notice of the special redemption of Bonds shall be given upon receipt of notice of redemption of the Special Tax Refunding Bonds.

ARTICLE V

REVENUES; FUNDS AND ACCOUNTS

Section 5.01. Pledge and Assignment.

(a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to this Indenture (including the Reserve Fund but excluding the Residual Account and the Rebate Fund) are hereby pledged by the Authority to secure the full and timely payment of the principal of and interest and premium, if any, of the Bonds in accordance with their terms and the provisions of this Indenture. Said pledge shall constitute a first lien on and security interest in such assets and shall attach, be perfected, and be valid and binding from and after delivery of the Bonds by the Trustee, and the Revenues and other items pledged hereunder shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act.

(b) Subject to the provisions of this Indenture, the Authority hereby pledges and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues, all of the moneys, and securities in the funds and accounts created hereunder (including the Reserve Fund but excluding the Residual Account and the Rebate Fund), as their interests appear, and other amounts pledged in paragraph (a) above and all of the right, title, and interest of the Authority in the Special Tax Refunding Bonds. The Authority shall collect and receive, or cause to be collected and received by the Trustee, all such Revenues, and Revenues collected or received by the Authority, or collected and received by the Trustee on behalf of the Authority, shall be deemed to be held, and to have been collected or received, by the Authority, in trust, and shall be paid to the Trustee as set forth herein. The Trustee also shall be entitled to and may take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, by itself, all of the rights of the Authority and all of the obligations of the Community Facilities Districts under and with respect to the Special Tax Refunding Bonds.

Section 5.02. Establishment of Revenue Fund; Allocation of Revenues. The Authority shall establish with the Trustee a special fund designated the "Revenue Fund" which the Trustee shall maintain and hold in trust. Within the Revenue Fund, the Trustee shall establish special accounts designated as the "Principal Account," the "Interest Account," the "Redemption Account," and the "Residual Account." Such fund and accounts shall be held and maintained as separate and distinct funds and accounts. All Revenues, except for investment earnings on the Reserve Fund which shall be applied according to Section 5.07, shall be promptly transferred to the Trustee by the Authority and deposited by the Trustee upon receipt thereof in the Revenue Fund. All Revenues deposited with the Trustee shall be held, disbursed, allocated, and applied by the Trustee only as provided in this Indenture.

On or before each Interest Payment Date, the Trustee shall transfer all Revenues (other than Revenues representing Principal Prepayments and Revenues resulting from the optional redemption of Special Tax Refunding Bonds which shall be transferred as described below) then in the Revenue Fund into the following funds and accounts based upon the following deposit requirements and in the following order of priority, the requirements of each such fund and account (including the making up of any deficiencies in any such fund and account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any fund or account subsequent in priority:

(a) The Trustee shall deposit in the Interest Account an amount which, together with the amounts then on deposit therein, including amounts, if any, transferred by the Trustee from the Reserve

Fund pursuant to Section 5.07, is sufficient to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest coming due and payable on the Bonds on such Interest Payment Date and any amount of interest previously due and unpaid.

(b) The Trustee shall deposit in the Principal Account, if necessary, an amount which, together with the amounts then on deposit therein, including amounts, if any, transferred from the Reserve Fund pursuant to Section 5.07, is sufficient to cause the aggregate amount on deposit in the Principal Account to equal the amount of principal or mandatory sinking account payment coming due and payable on the Bonds within the Bond Year and any amount of principal previously due and unpaid.

(c) The Trustee shall deposit in the Reserve Fund, if necessary, an amount which is sufficient to cause the aggregate amount on deposit in the Reserve Fund to equal the Reserve Requirement.

(d) On or after any Interest Payment Date on which the amount on deposit in the Revenue Fund was inadequate to make the transfers described in (a) and (b) above as a result of a default in the scheduled payment of principal of and/or interest on the Special Tax Refunding Bonds, the Trustee shall immediately notify the Director of Finance of the amount of such payment default. In the event that the Trustee receives all or any portion of the principal of and/or interest on the Bonds the payment of which is in default, the Trustee shall disburse or transfer such funds in the following order of priority: (i) for deposit in the Reserve Fund such amount as shall be necessary to replenish the amount of any transfers from the Reserve Fund to the Interest Account or the Principal Account resulting from such payment default; and (ii) for deposit in the Revenue Fund any amount remaining following the transfer required pursuant to (i).

(e) The Trustee shall deposit in the Rebate Fund, if necessary, an amount which is sufficient to cause the aggregate amount on deposit in the Rebate Fund to equal the amount of any payment then required to be made to the United States.

(f) On June 30, after making the deposits required under subsections (a), (b), (c), (d) and (e) above for the preceding March 1 Interest Payment Date and making the determination that there are adequate revenues on deposit with the Fiscal Agent and available to make the scheduled Debt Service payment on the Special Tax Refunding Bonds due on the following September 1 Interest Payment Date, and on September 1 of each year, after making the deposits required under subsections (a), (b), (c), (d) and (e) above for such September 1 Interest Payment Date, the Trustee shall transfer all amounts remaining on deposit in the Revenue Fund to the Residual Account.

The Trustee shall deposit in the Redemption Account those Revenues representing Principal Prepayments and which are to be used for the mandatory redemption of the Bonds. The Trustee shall deposit in the Redemption Account those Revenues resulting from the optional redemption of the Special Tax Refunding Bonds, and which the Authority has directed the Trustee to use for the optional redemption of the Bonds.

Section 5.03. Application of Interest Account. Subject to the provisions of this Indenture, all amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable or, at the Written Request of the Authority filed with the Trustee, to apply to the payment of accrued interest on any Bonds purchased by the Authority pursuant to Section 5.06 in lieu of redemption pursuant to Article IV. Any amounts on deposit in the Interest Account on September 2 of any year during the term of the Bonds shall be transferred from the Interest Account to the Revenue Fund for reallocation pursuant to Section 5.02.

Section 5.04. Application of Principal Account. Subject to the provisions of this Indenture, all amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal

or maturity amount, as applicable, of the Bonds upon the stated maturity thereof or upon any prior redemption of the Bonds with the proceeds of mandatory sinking payments. Any amounts on deposit in the Principal Account on September 2 of any year during the term of the Bonds shall be transferred from the Principal Account to the Revenue Fund for reallocation pursuant to Section 5.02.

Section 5.05. Application of Residual Account. Amounts in the Residual Account shall no longer be considered Revenues and are not pledged to repay the Bonds. So long as the Special Tax Refunding Bonds are outstanding under the terms of the Fiscal Agent Agreements, on July 1 and on September 2 of each year, the remaining balance in the Residual Account shall, except as provided below, be transferred to the Special Tax Fund (as such term is defined in the Fiscal Agent Agreements) established and held by the Fiscal Agent for each Series of Special Tax Refunding Bonds proportionately based on their respective Proportionate Share calculated for the Bond Year preceding such September 2. Notwithstanding the foregoing, in the event that the Special Tax Refunding Bonds have been paid in full or defeased, then any amounts in the Residual Account shall be paid by the Trustee to the Authority to be used for any lawful purpose.

The amount of the transfer to the Special Tax Fund for a Series of Special Tax Refunding Bonds calculated pursuant to the preceding paragraph shall be reduced by the amount of any outstanding deficiency, as of the date of such transfer, in the payment of debt service on such Special Tax Refunding Bonds occurring in the Bond Year ending the September 1st immediately preceding such transfer date.

Section 5.06. Establishment and Application of Redemption Account. The Authority shall establish a special account within the Revenue Fund designated as the “Redemption Account,” which account the Trustee shall maintain and hold in trust as a separate and distinct account within such fund. The Trustee shall deposit in the Redemption Account any amounts required or permitted to be applied to the redemption of Bonds pursuant to Section 4.01 (a) or (b) hereunder.

Subject to the provisions of this Indenture, all amounts deposited in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of redeeming the Bonds in the manner and upon the terms and conditions specified in Section 4.01 (a) or (b) at the next succeeding date of redemption for which notice has been given and at the redemption prices then applicable. At any time prior to selection of Bonds for such notice of redemption, the Trustee may, at the Written Request of the Authority, apply amounts on deposit in the Redemption Account to the purchase of such Bonds, for cancellation, at public or private sale, as and when and at prices not exceeding the par amount thereof (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account).

Section 5.07. Establishment and Application of Reserve Fund. The Trustee shall establish a special fund which fund the Trustee shall maintain and hold in trust as a separate and distinct fund designated as the “Reserve Fund.” On the Closing Date, the Trustee shall deposit in the Reserve Fund the amount received from the Fiscal Agents specified in subparagraph (b) of Section 3.02 representing the Reserve Requirement as of that date.

There shall be maintained in the Reserve Fund an amount equal to the Reserve Requirement.

Moneys in the Reserve Fund shall be used solely for the purposes set forth in this Section 5.07. Subject to the limitations set forth in the following paragraph, amounts in the Reserve Fund shall be applied to pay the principal of, including sinking fund payments, and interest on the Bonds when due in the event that the moneys in the Interest Account and/or the Principal Account of the Revenue Fund are insufficient therefor. If the amounts in the Interest Account and/or the Principal Account of the Revenue Fund are insufficient to pay the principal of, including sinking fund payments, or interest on the Bonds when due, the Trustee shall withdraw from the Reserve Fund for deposit in the Interest Account and/or the Principal Account, as applicable, moneys necessary for such purposes.

In addition, amounts, if any, in the Reserve Fund may be applied in connection with an optional redemption pursuant to Section 4.01(a) or a mandatory redemption pursuant to Section 4.01(b) or a defeasance pursuant to Section 10.01 hereof of the Bonds in whole or in part in accordance with the following sentence, or when the balance therein equals the principal and interest due on the Bonds to and including maturity to pay the principal of and interest due on the Bonds to maturity. Any amounts that would otherwise be on deposit in the Reserve Fund following any such optional redemption, mandatory redemption or defeasance that will be in excess of the Reserve Requirement following such event shall be applied toward such optional redemption, mandatory redemption or defeasance, as applicable.

In the event that the Trustee receives a Written Request of a Community Facilities District notifying the Trustee of the Prepayment of the Special Tax obligation for any parcel within such Community Facilities District or the Improvement Area, as applicable, and requesting the transfer of the applicable Special Tax Refunding Bonds Prepayment Reserve Fund Credit to the Fiscal Agent for the Series of the Special Tax Refunding Bonds issued for such Community Facilities District or the Improvement Area, as applicable, the Trustee shall transfer from the Reserve Fund, not less than five (5) Business Days prior to the redemption date of the Special Tax Refunding Bonds, an amount equal to the Special Tax Refunding Bonds Prepayment Reserve Fund Credit to such Fiscal Agent.

The Trustee shall, pursuant to a Written Certificate of the Authority, disburse or transfer from the cash amount then on deposit in the Reserve Fund on the final maturity date of each Series of Special Tax Bonds, an amount equal to the CFD Bonds Reserve Fund Credit Amount applicable to such Series of Special Tax Bonds, minus the amount of any transfer previously made necessitated as a result of a deficiency in the scheduled payment of principal of or interest on such Series of Special Tax Bonds which has not previously been reimbursed, and such amount shall be transferred to the Interest Account and the Principal Account as a credit against the payments due on such Series of Special Tax Bonds on such date with the amount transferred being deposited first to the Interest Account as a credit on the interest due on such bonds on such date and the balance being deposited to the Principal Account as a credit on the principal due of such bonds on such date.

On each September 2nd during the term of the Bonds, the Trustee shall calculate the Reserve Requirement for the Bond Year commencing on such September 2nd. If the amount then on deposit in the Reserve Fund exceeds the Reserve Requirement as of the date of such calculation (the "Excess Reserve Fund Amount"), the Trustee shall not less than five (5) Business Days thereafter transfer the Excess Reserve Fund Amount to the Revenue Fund.

Investment earnings on the investment of money on deposit in the Reserve Fund shall be deposited in the Reserve Fund.

Section 5.08. Establishment and Application of the Rebate Fund. The Trustee shall establish and maintain a separate fund to be held by the Trustee and known as the "Rebate Fund." The Trustee shall, in accordance with written directions received from an Authorized Representative of the Authority, deposit into the Rebate Fund moneys transferred by the Fiscal Agent pursuant to the provisions of the applicable Fiscal Agent Agreement or Fiscal Agent Agreements. The Rebate Fund shall be held either

uninvested or invested only in Permitted Investments described in clause B(5) of the definition thereof at the written direction of the Authority. Moneys on deposit in the Rebate Fund shall be applied only to payments made to the United States to the extent such payments are required by the Tax Certificate. The Trustee shall, upon written request and direction of an Authorized Representative of the Authority, make such payments to the United States.

The Trustee may rely conclusively upon the Authority's determinations, calculations and certifications required by this Section. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Authority's calculations hereunder. The Trustee's sole responsibilities under this Section 5.08 are to follow the written instructions of the Authority pertaining hereto. The Authority shall be responsible for any fees and expenses incurred by the Trustee pursuant to Section 5.09.

The Trustee shall, upon written request and direction from an Authorized Representative of the Authority, transfer to or upon the order of the Authority any moneys on deposit in the Rebate Fund in excess of the amount, if any, required to be maintained or held therein in accordance with the Tax Certificate.

Section 5.09. Investment of Moneys. Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to the Indenture shall be invested by the Authority solely in Permitted Investments, or, if such fund or account is held by the Trustee solely in Permitted Investments, as directed in writing by the Authority two (2) Business Days prior to the making of such investment. Such investment instructions shall certify that the investment is a Permitted Investment. Permitted Investments may be purchased at such prices as the Authority shall determine. All Permitted Investments shall be acquired subject to any restrictive instructions given to the Trustee pursuant to Section 6.07 and such additional limitations or requirements consistent with the foregoing as may be established by the Written Request of the Authority. Moneys in any funds and accounts shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture. Absent timely written direction from the Authority, the Trustee shall invest any funds held by it in Permitted Investments described in clause B(5) of the definition thereof.

Except as provided in Section 5.07 with respect to the Reserve Fund and Section 5.08 with respect to the Rebate Fund, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Indenture shall be deposited in the Revenue Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Permitted Investments equal to the amount of accrued interest, if any, paid as part of the purchase price of such Permitted Investments shall be credited to the fund from which such accrued interest was paid.

Permitted Investments acquired as an investment of moneys in any fund established under this Indenture shall be credited to such fund. Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code). The Trustee shall not be liable for verification of the application of such sections of the Code.

The Trustee or an affiliate may act as principal or agent in the making or disposing of any investment and shall be entitled to its customary fee therefor. Upon the Written Request of the Authority,

or as required for the purposes of the provisions of this Indenture, the Trustee shall sell or present for redemption, any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal, or disbursement from the fund to which such Permitted Investments are credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section 5.09.

Investments purchased with funds on deposit in the Reserve Fund not payable on demand shall be restricted to maturities of five years or less.

The Trustee shall furnish the Authority periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Authority. Upon the Authority's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Authority waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Authority further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Indenture and received by the Authority or the Trustee.

Section 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal, of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge, or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Bond Law, and reserves the right to issue other obligations for such purposes.

Section 6.04. Power to Issue Bonds and Make Pledge Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues, the Special Tax Refunding Bonds and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid, and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee, subject to the provisions of Article VIII, shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all Persons whomsoever.

Section 6.05. Accounting Records and Financial Statement. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the Bond proceeds, the Revenues, the Special Tax Refunding Bonds and all funds and accounts established with the Trustee pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority, the Independent Financial Consultant, the Underwriter, and the Community Facilities District, during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee.

The Authority shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions relating to the Bond proceeds, the Revenues, the Special Tax Refunding Bonds and all funds and accounts established pursuant to this Indenture (other than those records and accounts kept by the Trustee). Such books of record and account shall be available for inspection by the Trustee (who shall have no duty to inspect), the Independent Financial Consultant and

the Community Facilities District, during regular business hours and upon twenty-four (24) hours, notice and under reasonable circumstances as agreed to by the Authority.

Section 6.06. Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Section 6.07. Tax Covenants. The Authority will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Authority or take or omit to take any action that would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Tax Code, or obligations which are “federally guaranteed” within the meaning of Section 149(b) of the Tax Code. The Authority will not allow five percent (5%) or more of the proceeds of the Bonds to be used in the trade or business of any non-governmental units and will not loan five percent (5%) or more of the proceeds of the Bonds to any non-governmental units.

The Authority covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Tax Code. The Authority will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Authority, or take or omit to take any action, that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Tax Code. To that end, the Authority will comply with all requirements of Section 148 of the Tax Code to the extent applicable to the Bonds. In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held under this Indenture or otherwise the Authority shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Without limiting the generality of the foregoing, the Authority agrees that there shall be paid from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Tax Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds.

Notwithstanding any provision of this Section, if the Authority shall obtain an opinion of Bond Counsel to the effect that any action required under this covenant is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Bonds pursuant to Section 103 of the Tax Code, the Trustee may rely conclusively on such opinion in complying with the provisions hereof, and the covenant hereunder shall be deemed to be modified to that extent.

Section 6.08. Collection of Revenues. The Authority shall cause to be collected and paid to it all Revenues payable with respect to the Special Tax Refunding Bonds promptly as such Revenues become due and payable, and shall vigorously enforce and cause to be enforced all rights of the Authority and the Trustee under and with respect to the Special Tax Refunding Bonds. Upon any failure of the Authority to perform as required by this Section 6.08, the Trustee shall, subject to the provisions of Article VIII hereof, take appropriate actions to collect and cause the Revenues to be paid to the Trustee.

Section 6.09. Special Tax Refunding Bonds. The Authority, the Trustee and the Community Facilities District may at any time consent to, amend or modify any Series of the Special Tax Refunding Bonds pursuant to the terms of the applicable Fiscal Agent Agreement, (i) with the prior consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, or (ii) without the

consent of any of the Owners, if such amendment or modification is for any one or more of the following purposes:

(a) to add to the covenants and agreements contained in such Special Tax Refunding Bonds, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power therein reserved to or conferred upon the Community Facilities District; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in such Special Tax Refunding Bonds, or in any other respect whatsoever as the Community Facilities District may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners of the Bonds; or

(c) to amend any provision thereof to the extent necessary to comply with the Code, but only if and to the extent such amendment will not adversely affect the exclusion from gross income of the interest on any of the Bonds under the Code, in the opinion of nationally-recognized bond counsel.

Section 6.10. Limitation on Defeasance, Sale and Refunding of Special Tax Refunding Bonds. The Authority shall not consent to a sale, defeasance or optional redemption of any Special Tax Refunding Bonds unless the Authority shall provide to the Trustee a certificate of an Independent Financial Consultant or an Independent Accountant, certifying that after giving effect to the sale, defeasance or redemption, cash flows from the remaining outstanding Special Tax Refunding Bonds will be sufficient to satisfy the ongoing requirement for payment of principal of and interest on the Bonds.

Section 6.11. Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

Section 6.12. Parity Bonds. The Authority covenants that it will not issue any other obligations payable, principal or interest, from Revenues and secured by a lien and charge on the Revenues equal to or superior to the lien and charge securing the Outstanding Bonds. Nothing in this Indenture shall, however, prevent the Authority from issuing and selling, pursuant to law, refunding bonds or other refunding obligations payable from and having a first lien upon the Revenues on a parity with the Outstanding Bonds where the issuance of such refunding bonds or other refunding obligations will result in a reduction of Annual Debt Service on all Bonds to be Outstanding following the issuance of such refunding bonds or refunding obligations.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Section 7.01. Events of Default. The following events shall be Events of Default:

(a) if default by the Authority shall be made in the due and punctual payment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for sinking fund redemption or otherwise;

(b) if default shall be made in the due and punctual payment of any installment of interest on any Bonds when and as the same shall become due and payable;

(c) if default shall be made by the Authority in the observance of any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such default shall have continued for a period of thirty (30) days after written notice thereof which grace period shall not be extended beyond sixty (60) days, Trustee or the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding as determined in Section 11.12 hereof; provided, however, if the failure stated in the notice can be corrected, but not within the applicable period, the Authority, the Trustee, and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Authority within the applicable period and diligently pursued until the default is corrected;

(d) the occurrence of an Event of Bankruptcy with respect to the Authority; and

(e) the occurrence of a default under any Special Tax Refunding Bond.

Section 7.02. Acceleration. The Bonds are not subject to acceleration.

Section 7.03. Remedies of Bond Owners. Subject to the provisions of Sections 7.07 and 7.08, any Bond Owner shall have the right, for the equal benefit and protection of all Bond Owners similarly situated:

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

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

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

Section 7.04. Application of Revenues and other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Authority shall, immediately upon receipt by the Authority, be transferred by the Authority to the Trustee and be deposited by the Trustee in the Revenue Fund and all amounts held in the Revenue Fund by the Trustee and all Revenues and any other funds then held or thereafter received by the Authority or 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 fees and expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under, this Indenture;

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

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

Second: To the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference.

Section 7.05. Trustee to Represent Bond Owners. Subject to the provisions of Sections 7.03 and 7.07, the Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to the Owners under the provisions of the Bonds, this Indenture, the Bond Law and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, as determined pursuant to Section 11.12 hereof, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee and such Owners under the Bonds, this Indenture, the applicable Supplemental Indenture, the Bond Law or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under this Indenture, pending such proceedings. All rights of action under this Indenture, or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of this Indenture.

Section 7.06. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners of the Bonds under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 7.07. Bond Owners' Direction of Proceedings. The Owners of a majority in aggregate principal amount of the Bonds then Outstanding, as determined pursuant to Section 11.12 hereof, shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond Owners not parties to such direction.

Section 7.08. Limitation on Bond Owners' Right to Sue. No Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Agreement, the Bond Law 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 not less than a majority in aggregate principal amount of the Bonds then Outstanding, as determined pursuant to Section 11.12 hereof, 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 sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that not one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security of this Indenture or the rights of any other Owner of the Bonds, or to enforce any right under the Bonds, this Indenture, the Bond Law or other applicable law, with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 7.09. Absolute Obligation of Authority. Nothing in Section 7.08 or in any other provision of this Indenture or in the Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor and received by the Authority or the Trustee, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.10. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Bond Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bond Owners, then in every such case the Authority, the Trustee and the Bond Owners, object 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 Authority, the Trustee and the Bond Owners shall continue as though no such proceedings had been taken.

Section 7.11. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.12. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Duties and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiving 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.

(b) The Authority may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, as determined pursuant to Section 11.12 hereof (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon shall appoint a successor Trustee by an instrument in writing. Notwithstanding anything herein to the contrary, the Trustee must at all times be the same entity as the Fiscal Agent for the Special Tax Refunding Bonds.

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

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bond Owner (on behalf of himself and all other Bond Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and after payment by the Authority of all unpaid fees and expenses of the predecessor Trustee, the 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 or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute

and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties, and obligations. Upon acceptance of appointment by a successor Trustee as provided for in this subsection, the Authority shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then maintains a rating on the Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the Authority fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under the provisions of this Section 8.01 in succession to the Trustee shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least seventy-five million dollars (\$75,000,000) and subject to examination by federal or state authority. 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 agency above referred to, then for the purpose of this subsection 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. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(f) Notwithstanding any other provision of this Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor shall be appointed.

Section 8.02. Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated, or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party, or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its global corporate trust business, provided such bank or trust company shall be eligible under subsection (e) of Section 8.01, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture or of the Bonds or shall incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its Certificate of Authentication on the Bonds. The Trustee makes no representations as to the validity or sufficiency of the Indenture, or of any Bonds, or any Special Tax Refunding Bond or in respect of the security afforded by this Indenture and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to: (i) the issuance of the Bonds for value; (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee; or (iii) the application of any moneys paid to the Authority or others in accordance with this Indenture except as the application of any moneys paid to the Trustee in its capacity as Trustee. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own gross negligence or willful default and the negligence and willful misconduct of its agents. Absent negligence or willful misconduct, the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by

law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

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

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds as determined pursuant to Section 11.12 hereof, at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) Absent negligence or willful misconduct, the Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(e) The Trustee shall not be deemed to have knowledge of any default or Event of Default hereunder or under any Special Tax Refunding Bond unless and until it shall have actual knowledge thereof, or shall have received written notice thereof, at its Principal Office. Except as otherwise provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

(f) The Trustee shall be under no obligation to institute any suit or take any remedial action under this Indenture, or to enter any appearance in or in any way defend any suit in which it may be made defendant, or to take any steps in the execution of the trust hereby created or in the exercise of any rights or powers hereunder at the request, order, or direction of any Owners of Bonds or otherwise unless it shall be indemnified to its satisfaction against any and all reasonable costs and expenses, outlays and counsel fees and other disbursements, and against all liability not due to its negligence or willful misconduct; provided, however, that if the Trustee intends to rely on this Section 8.03(f) as a basis for non-action it shall so inform the Owners of the Bonds and the Authority as soon as possible.

(g) The Trustee shall have no duty to expend or risk its own funds in the performance of its duties hereunder.

(h) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(i) The Trustee will not be considered in breach or in default of its obligations hereunder or progress in respect thereto in the event of enforced delay (“unavoidable delay”) in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project

refinanced with the proceeds of the Bonds, malicious mischief, condemnation, and unusually severe weather and/or occurrences beyond the control of the Trustee.

Section 8.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be Bond Counsel or other counsel of or to the Authority, with regard to legal questions, and absent negligence or willful misconduct, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith; provided, however, the Trustee shall in no event delay any payment with respect to the Bonds in anticipation of any such opinion.

Except as otherwise expressly provided in this Indenture, the Trustee shall not be bound to recognize any Person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is satisfactorily established, if disputed.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Authority, and such Written Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject during business hours, and upon reasonable notice, to the inspection of the Authority, the Community Facilities District and their agents and representatives duly authorized in writing.

Section 8.06. Compensation; Indemnification. The Authority shall cause to be paid to the Trustee from time to time all reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture. However, the Authority shall not be liable for “overhead expenses” except as such expenses may be included as a component of the Trustee’s stated annual fees. The Authority agrees to indemnify and save the Trustee harmless against any costs, claims, expenses, or liabilities which it may incur in the exercise and performance of its powers and duties hereunder, including, but not limited to, claims of the Owners arising from the Trustee’s actions pursuant to Section 11.04 hereof, 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 default. The duty of the Authority to indemnify the Trustee hereunder shall survive the termination and discharge of this Indenture. None of the provisions contained in the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

Section 8.07. Right of Trustee to Acquire Bonds. The Trustee and its officers and directors may acquire and hold, or become the pledgee of, Bonds and otherwise deal with the Authority in the manner and to the same extent and with like effect as if it were not the Trustee hereunder.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 9.01. Amendments Permitted.

(a) This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into with the written consent of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, as determined pursuant to Section 11.12 hereof, which shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof, or extend the time of payment, or reduce any premium payable upon the redemption of any Bond, 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; or (iii) permit the creation of any lien on the 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 Revenues and other assets (except as expressly provided in this Indenture) without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. The Trustee shall, at least fifteen (15) days in advance of the effective date of any Supplemental Indenture, cause to be mailed a notice (the form of which shall be furnished to the Trustee by the Authority) of the proposed modification or amendment of this Indenture containing a copy of the Supplemental Indenture intended to effectuate such amendment or modification. Promptly after the execution by the Authority and the Trustee of any Supplemental Indenture pursuant to this subsection (a), (i) the Trustee shall cause to be mailed a notice (the form of which shall be furnished to the Trustee by the Authority), by first class mail, postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners of the Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

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

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

(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 as to any other provisions of the Indenture as the Authority may deem necessary or desirable, in any case which do not have a material and adverse affect on the security for the Bonds granted hereunder;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

(iv) to modify, amend, or supplement this Indenture in such manner as to cause interest on the Bonds to be excludable, or remain, from gross income for purposes of federal income taxation by the United States of America; and

(v) to modify or amend any provision of this Indenture with any effect and to any extent whatsoever permissible by law, provided that any such modification or amendment shall apply only to the Bonds issued and delivered subsequent to the execution and delivery of the applicable Supplemental Indenture.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Indenture of the Authority, the Trustee, and all Owners of Bonds Outstanding shall thereafter be determined, exercised, and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Office of the Trustee a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority 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 upon demand of the Owners of any Bonds then outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same interest rate and maturity.

Section 9.04. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Owner.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. The Bonds or any portion thereof may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority:

- (a) by paying or causing to be paid the principal of and interest and premium, if any, on the Bonds or any portion thereof, as and when the same become due and payable;
- (b) by irrevocably depositing with the Trustee, in trust (pursuant to an escrow agreement), at or before maturity, money or Defeasance Obligations in the necessary amount (as provided in Section 10.03) to pay or redeem all or any portion of the Bonds then Outstanding; or
- (c) by delivering to the Trustee, for cancellation by it, all or any portion of the Bonds then Outstanding.

If the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority including without limitation any compensation or other amounts due and owing the Trustee hereunder, then and in that case, at the election of the Authority (evidenced by a Written Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture and all covenants, agreements and other obligations of the Authority under this Indenture shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Written Request of the Authority, and upon receipt of a Written Certificate of an Authorized Representative of the Authority and an opinion of Bond Counsel acceptable to the Trustee, each to the effect that all conditions precedent herein provided for relating to the discharge and satisfaction of the obligations of the Authority have been satisfied, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign, or deliver all moneys or securities or other property held by it pursuant to this Indenture and the applicable Supplemental Indenture, which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption, to the Authority.

Section 10.02. Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 11.10.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03. Deposit of Money or Securities with Trustee. Subject to Section 11.09 hereof, whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture and shall be:

(a) Lawful money of the United States of America, in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Bonds, premium, if any, and all unpaid interest thereon to the redemption date; or

(b) Noncallable defeasance obligations (described in paragraph A of the definition of Permitted Investments), the principal of, premium, if any, and interest on which when due will provide money sufficient to pay the principal of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal and interest become due, provided that in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Written Request of the Authority) to apply such funds to the payment of such principal and interest with respect to such Bonds.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Liability of Authority Limited to Revenues. Notwithstanding anything in this Indenture or in the Bonds contained, neither the Authority, nor any member thereof, shall be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

Section 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03. Limitation of Rights to Parties and Bond Owners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Authority, the Trustee, the Community Facilities District, and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the Community Facilities District, and the Owners of the Bonds.

Section 11.04. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law, and upon the Written Request of the Authority deliver a certificate of such destruction to the Authority.

Section 11.05. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, subsection, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, subsections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.06. Notices. Any notice, request, complaint, demand or other communication under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below or by telecopy or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopy or other form of telecommunication, (b) forty-eight (48) hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person or the Trustee, upon actual receipt. The Authority, the Community Facilities District or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Authority: Chula Vista Municipal Financing Authority
276 Fourth Avenue
Chula Vista, CA 91910
Attention: Chief Financial Officer

If to any Community
Facilities District: Name of the Community Facilities District
c/o City of Chula Vista
Finance Department
276 Fourth Avenue
Chula Vista, CA 91910
Attention: Director of Finance

If to the Trustee: U.S. Bank National Association
Attn: Global Corporate Trust
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Reference: Chula Vista Municipal Finance Authority

Section 11.07. Waiver of Notice: Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

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

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

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

Section 11.09. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 11.10 but without any liability for interest thereon.

Section 11.10. Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding and subject to the escheat laws of the State, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee after said date when such Bonds become due and payable, shall be repaid by the Trustee to the Authority, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Authority for the payment of such Bonds; provided, however, that before being required to make such payment to the Authority, the Trustee shall, at the expense of Authority, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the Bond Register, a notice that said moneys remain unclaimed and that, after a date in said notice, which date shall not be less than thirty (30) days after the date of mailing such notice, the balance of such moneys then unclaimed will be returned to the Authority.

Section 11.11. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof.

Section 11.12. 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 by any other obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds, 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 certify to 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 any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 11.13. Determination of Percentage of Bond Owners. Whenever in this Indenture the consent, direction or other action is required or permitted to be given or taken by a percentage of the Owners of an aggregate principal amount of Bonds Outstanding (including the owners of a majority in aggregate principal amount of the Bonds Outstanding), such percentage shall be calculated on the basis of the principal amount of the Outstanding Bonds.

Section 11.14. Payment on Non-Business Days. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day.

Section 11.15. Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof, but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 11.16. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.17. Governing Laws. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Chula Vista Municipal Financing Authority has caused this Indenture to be signed in its name by its Chief Financial Officer, and U.S. Bank National Association, 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.

CHULA VISTA MUNICIPAL FINANCING AUTHORITY

By: _____
Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

EXHIBIT A
FORM OF BOND

REGISTERED

REGISTERED

R - ____

\$ _____

NEITHER THE PAYMENT OF THE PRINCIPAL OR ANY PART THEREOF NOR ANY INTEREST THEREON CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE CITY OF CHULA VISTA OR THE CHULA VISTA HOUSING AUTHORITY, WHICH ARE MEMBERS OF THE CHULA VISTA MUNICIPAL FINANCING AUTHORITY.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE SECURITIES DEPOSITORY (AS DEFINED IN THE INDENTURE OF TRUST) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SAN DIEGO**

**CHULA VISTA MUNICIPAL FINANCING AUTHORITY
SPECIAL TAX REVENUE REFUNDING BOND,
SERIES 2015A**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
____%	September 1, ____	_____, 2015	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: *** _____ DOLLARS***

The Chula Vista Municipal Financing Authority (the "Authority"), a joint powers authority created pursuant to the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"), for value received, hereby promises to pay (but only out of the Revenues and other assets pledged therefor as hereinafter mentioned) to the Registered Owner stated above or registered assigns (the "Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Sum stated above, in lawful money of the United States of America; and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated after a Record Date (as hereinafter defined) and on or prior to the next succeeding Interest Payment Date, in which event it shall bear interest from such Interest

Payment Date, or unless this Bond is authenticated on or before _____, 2015, in which event it shall bear interest from the Dated Date stated above) until payment of such Principal Sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each March 1 and September 1, (each an "Interest Payment Date") commencing March 1, 2016. The principal (or redemption price) hereof is payable upon presentation and surrender of this Bond at the global corporate trust office of U.S. Bank National Association, as trustee (the "Trustee"), in Los Angeles, California (or such other office designated by the Trustee, herein called the "Principal 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 Owner as of the fifteenth (15th) day of the month preceding each Interest Payment Date whether or not such day is a Business Day (the "Record Date") at the address shown on the Registration Books maintained by the Trustee or, upon written request filed with the Trustee prior to the fifteenth (15th) day preceding the applicable Interest Payment Date by an Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, by wire transfer in immediately available funds to an account in the United States of America designated by such Owner in such written request.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Chula Vista Municipal Financing Authority Special Tax Revenue Refunding Bonds, Series 2015A (the "Bonds"), in the aggregate principal amount of \$_____ pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of the Act (commencing with Section 6584) (the "Bond Law"), and pursuant to an Indenture of Trust, dated as of July 1, 2015 by and between the Authority and the Trustee (the "Indenture"), issued for the purpose of providing funds for the purchase of the Special Tax Refunding Bonds issued to defease and refund the Prior Special Tax Bonds (as such terms are defined in the Indenture).

Reference is hereby made to the Indenture (copies of which are on file at said office of the Trustee) and all indentures supplemental thereto and to the Bond Law for a description of the rights thereunder of the Owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder. The Owner of this Bond, by acceptance hereof, assents and agrees to all the provisions of the Indenture. Unless otherwise specified herein or the context requires otherwise, capitalized terms used herein shall have the meanings given to such terms in the Indenture.

The Bonds and the interest thereon are payable from Revenues (as such term is defined in the Indenture) derived primarily from payments made by the Community Facilities Districts (as such term is defined in the Indenture) with respect to Special Tax Refunding Bonds acquired with the proceeds of the Bonds, and are secured by a pledge and assignment of said Revenues and of amounts (including proceeds of the sale of the Bonds) held in the funds and accounts established pursuant to the Indenture (including the Reserve Fund but excluding the Residual Account and Rebate Fund, as each of these terms are defined in the Indenture), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Bonds are special obligations of the Authority and are not a lien or charge upon the funds or property of the Authority, except to the extent of the aforesaid pledge and assignment. The Bonds are not a debt of the Community Facilities Districts, the City, the Housing Authority or the State of California and said State is not liable for the payment thereof. The Authority has no taxing power.

The Bonds maturing on or after September 1, 2026 are subject, at the option of the Authority, to call and redemption from any available source of funds prior to their stated maturity on any date on or after September 1, 2025, as a whole or in part, and by lot, as described below, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Bonds shall be subject to redemption on any Interest Payment Date, prior to maturity, as a whole or in part from such maturities, as are selected by the Authority, from and to the extent of Principal Prepayments with respect to the Special Tax Refunding Bonds at the following redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), together with accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
March 1, 2016 through March 1, 2023	103%
September 1, 2023 and March 1, 2024	102
September 1, 2024 and March 1, 2025	101
September 1, 2025 and any Interest Payment Date thereafter	100

The Outstanding Bonds maturing on September 1, 20__ are subject to mandatory sinking fund redemption, in part, on September 1, 20__ and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, as provided in the Indenture.

The Outstanding Bonds maturing on September 1, 20__, excluding the Insured Bonds, are subject to mandatory sinking fund redemption, in part, on September 1, 20__ and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, as provided in the Indenture.

Notice of redemption shall be mailed by the Trustee, by first class mail, postage prepaid, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books and to the Securities Depositories and the Information Services at least 30 days but not more than 60 days prior to the redemption date. Neither the failure to receive such notice nor any defect in the notice so mailed will affect the sufficiency of the proceedings for redemption of such Bonds or the cessation of accrual of interest on the redemption date. Each notice of redemption shall state the redemption date, the place or places of redemption, the CUSIP numbers and the Bond numbers of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the respective Authorized Denominations of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the principal amount relating thereto or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, plus accrued interest, if any, and through which date such interest will accrue, and that from and after such date interest thereon shall cease to accrue and shall require that such Bonds be then surrendered at the Principal Office of the Trustee. Neither the failure of any Bond Owner to receive any notice so mailed nor any defect therein shall affect the sufficiency of the proceedings for redemption of any Bonds nor the cessation of accrual of interest thereon.

Any notice of optional redemption of the Bonds delivered in accordance with the provisions of the Indenture may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds and the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled.

The Authority may rescind any optional redemption and notice thereof for any reason on any date on or prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Redemption

Account or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

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

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. The Trustee shall not be required to register the transfer or exchange of any Bond (i) during the period established by the Trustee for selection of Bonds for redemption, or (ii) selected for redemption. The Authority and the Trustee may treat the Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

The Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall: (i) extend the fixed maturity of this Bond, or reduce the amount of principal hereof, or reduce the rate of interest hereon, or extend the time of payment of interest hereon, or reduce any premium payable upon the redemption hereof, without the consent of the Owner hereof; or (ii) reduce the percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment; or (iii) permit the creation of any lien on the Revenues and other assets pledged as security for the Bonds prior to or on a parity with the lien created by the Indenture, or deprive the Owners of the Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the Owners of all Bonds then Outstanding, all as more fully set forth in the Indenture.

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

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the Trustee's Certificate of Authentication hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Chula Vista Municipal Financing Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signature of the Chairman of the Authority and attested to by the facsimile signature of the Secretary of the Authority, all as of the Dated Date stated above.

Chula Vista Municipal Financing Authority:

By: _____
Chairman

ATTEST:

By: _____
Secretary

FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within mentioned Indenture, which has been authenticated on the date set forth below.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION, as Trustee:

By: _____

Authorized Signatory

STATEMENT OF INSURANCE [IF NECESSARY]

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____ the within mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____, attorney, to transfer said Bond on the books of _____ as Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTE: Signature(s) must be guaranteed by an authorized guarantor institution

NOTE: The signature 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 investments listed below that at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (provided that the Trustee shall have no duty to investigate the legality of any investments):

A. The following obligations may be used for all purposes, including defeasance investments:

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation) or collateralized by permitted investments listed in A(2) below.
- (2) Direct obligations of, or obligations fully and unconditionally guaranteed as to the timely payment of principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the U.S. including:
 - (a) U.S. treasury obligations,
 - (b) all direct or fully guaranteed obligations,
 - (c) Farmers Home Administration,
 - (d) General Services Administration,
 - (e) Guaranteed Title XI financing,
 - (f) Government National Mortgage Association (GNMA), and
 - (g) State and Local Government Series.

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or pre-payable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

B. The following obligations may be used as for all purposes other than defeasance investments in refunding escrow accounts:

- (1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - (a) Export-Import Bank,
 - (b) Rural Economic Community Development Administration,
 - (c) U.S. Maritime Administration,
 - (d) Small Business Administration,
 - (e) U.S. Department of Housing & Urban Development (PHAs),

- (f) Federal Housing Administration, and
 - (g) Federal Financing Bank.
- (2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
- (a) senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC);
 - (b) obligations of the Resolution Funding Corporation (REFCORP); or
 - (c) senior debt obligations of the Federal Home Loan Bank System.
- (3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank.)
- (4) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1" or "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase.
- (5) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P including funds for which the Trustee or an affiliate provides investment advice or other services.
- (6) Pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice:
- (a) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or
 - (b) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in A.(2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.
- (7) Municipal obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P.

- (8) Investment in the Local Agency Investment Fund of the State of California (LAIF), provided that any investment of the type authorized pursuant to paragraphs (d), (e), (h), and (i) of Section 53601 of the California Government Code are additionally restricted as provided in the appropriate paragraph or paragraphs above applicable to such type of investment and provided further that investments authorized pursuant to paragraphs (r) and (m) of Section 53601 of the California Government Code are not permitted.