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**INDENTURE**

**By and Between the**

**CARSON PUBLIC FINANCING**

**AUTHORITY**

**and**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as Trustee**

**Authorizing the Issuance of**

**\$ \_\_\_\_\_  
CARSON PUBLIC FINANCING AUTHORITY  
2024 LEASE REVENUE BONDS**

**Dated as of August 1, 2024**

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## INDENTURE

THIS INDENTURE, dated as of August 1, 2024 (this “Indenture”), is by and between the CARSON PUBLIC FINANCING AUTHORITY, a public body, corporate and politic, duly organized and existing under the laws of the State of California (the “Authority”), and The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”).

## RECITALS

**WHEREAS**, in order to finance construction of certain capital improvement projects (i) the City and the Authority will enter into a Site and Facilities Lease (the “Site Lease”), under which the City will lease to the Authority certain real property and improvements of the City (the “Leased Property”) and (ii) the City and the Authority will enter into a Property Lease (the “Property Lease”), under which the Authority will sublease the Leased Property to the City; and

**WHEREAS**, in order to make the lease payment under the Site Lease and fund the improvements, the Authority has determined to issue its \$\_\_\_\_\_ aggregate principal amount of its 2024 Lease Revenue Bonds (“2024 Bonds”) pursuant to this Indenture.

**NOW, THEREFORE**, in order to secure the payment of the 2024 Bonds and the performance and observance by the Authority of all the covenants, agreements and conditions herein and in the 2024 Bonds contained, and in consideration of the mutual covenants and agreements contained herein, the Authority and the Trustee hereby agree as follows:

**ARTICLE I**  
**DEFINITIONS**

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

“Additional Bonds” means Additional Bonds issued in accordance with Section 2.14 hereof.

“Agreement” means the Joint Exercise of Powers Agreement, dated as of \_\_\_\_, by and between the City and the Housing Authority of the City of Carson, together with any amendments thereof and supplements thereto.

“Annual Debt Service” means, for each twelve-month period ending on each Principal Payment Date, the sum of (1) the interest falling due on the Outstanding Bonds in such twelve-month period, assuming that the Outstanding Bonds are retired as scheduled; and (2) the principal amount of the Outstanding Bonds, if any, falling due by their terms in such twelve-month period.

“Authority” means the Carson Public Financing Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California and the Agreement.

“Base Rental” means all amounts payable to the Authority from the City as Base Rental pursuant to Section 3.01 of the Property Lease.

“Bond Insurance Policy” means the Municipal Bond Insurance Policy (Policy No. \_\_\_\_\_) issued by the Bond Insurer on the Closing Date that guarantees the scheduled payment of principal of and interest on the Insured 2024 Bonds when due.

“Bond Insurer” means \_\_\_\_\_, or any successor thereto.

“Bondowner” or “Owner” mean the person in whose name such Bond shall be registered.

“Bonds” means the Outstanding 2024 Bonds and any Outstanding Additional Bonds.

“Business Day” means any day of the year, other than (i) a Saturday, (ii) a Sunday, (iii) a day on which banks located in the city in which either the Corporate Trust Office of the Trustee is located or required or authorized by law to be closed or (iv) a day on which the New York Stock Exchange or the payment system of the Federal Reserve System is not operational.

“Certificate” or “Certificate of the Authority”, “Statement” or “Statement of the Authority”, “Request” or “Request of the Authority” and “Requisition” or “Requisition of the Authority” mean, respectively, a written certificate, statement, request or requisition signed in the name of the Authority by its Designated Officer, or such other person as may be designated in writing to the Trustee and authorized to sign for the Authority. Any such instrument and supporting opinions or representations, if any, may be, 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.

Any Certificate or Statement of the Authority may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or representation of counsel, accountants or engineers, unless the officer signing such certificate or statement knows, or in the exercise of reasonable care should have known, that the opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. The same officer of the Authority, or the same counsel or accountant or engineer, 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 engineers may certify to different facts.

“Certificate” or “Certificate of the City”, “Statement” or “Statement of the City”, “Request” or “Request of the City” and “Requisition” or “Requisition of the City” mean, respectively, a written certificate, statement, request or requisition signed in the name of the City by its Designated Officer, or such other person as may be designated in writing to the Trustee and authorized to sign for the City. Any such instrument and supporting opinions or representations, if any, may be, 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.

Any Certificate or Statement of the City may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or representation of counsel, accountants or engineers, unless the officer signing such certificate or statement knows, or in the exercise of reasonable care should have known, that the opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. The same officer of the City, or the same counsel or accountant or engineer, 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 engineers may certify to different facts.

“City” means the City of Carson, a charter city and municipal corporation duly organized and existing under the laws of the State of California.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Corporate Trust Office” means the corporate trust office of the Trustee at which office at the date hereof is located in Los Angeles, California, or such other place as designated by the Trustee except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority or the City and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, the premium for the Bond Insurance Policy and fees and charges for preparation, execution, transportation and safekeeping of the Bonds.

“Costs of Issuance Fund” means the funds created pursuant to Section 3.04 hereof.

“Defeasance Obligations” means:

- (a) Cash (fully insured by the Federal Deposit Insurance Corporation or collateralized by Government Obligations); and
- (b) Government Obligations.

“Depository” means any securities depository appointed to act as Depository under Section 2.10 hereof.

“Designated Officer” means (i) with respect to the Authority, the President, Authority Chief Administrative Officer, Authority Secretary, the Authority Treasurer or the Authority Finance Director or any other person authorized by a Certificate of the Authority to perform an act or sign a document on behalf of the Authority for purposes of this Indenture and (ii) with respect to the City, its Mayor, City Manager, Finance Director, City Clerk or Assistant City Clerk, or any other person authorized by a Certificate of the City to perform an act or sign a document on behalf of the City for purposes of this Indenture.

“Electronic Means” shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“Facilities” means the improvements located on the Site.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Authority and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the applicable regulations under the Code, the term “investment” will include a hedge.

“Fiscal Year” or “fiscal year” means the period beginning July 1 of each year and ending on the next succeeding June 30.

“Fitch” means Fitch Ratings and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority or the City.



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

“Improvement Fund” means the Improvement Fund created pursuant to Section 3.03 hereof.

“Independent Public Accountant” means any certified public accountant or public accountant or firm of such accountants retained and paid by the Authority or the City, and who, or each of whom:

- (1) is in fact independent, and not under domination of the Authority or the City;
- (2) does not have any substantial interest, direct or indirect, with the Authority or the City; and
- (3) is not connected with the Authority or the City as a board member of the Authority or as a member of the City Council of the City, or as an officer or employee of the Authority or the City, but who may be regularly retained to make annual or similar audits of any of the books of the Authority or the City.

“Indenture” means this Indenture as originally executed or as it may from time to time be supplemented or amended pursuant to the provisions hereof.

“Insurance and Eminent Domain Proceeds Fund” means the fund by that name created pursuant to Section 5.02(e) hereof.

“Insured 2024 Bonds” means the 2024 Bonds designated as Insured 2024 Bonds in Section 2.02(a).

“Interest Fund” means the fund by that name created pursuant to Section 5.02(a) hereof.

“Interest Payment Date” means each December 1 and June 1, commencing on December 1, 2024.

“Law” means Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, unless otherwise specified in a Supplemental Indenture.

“Leased Property” means the Site and the Facilities.

“Maximum Annual Debt Service” means the largest Annual Debt Service during the period from the date of such determination through the final maturity date of any Outstanding Bonds.

“Moody’s” means Moody’s Investors Service and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority or the City.

“Nominee” means the nominee of the Depository as determined from time to time in accordance with Section 2.10.

“Notices” means all notices, certificates or other documentation to be provided by any person to any other person under this Indenture, the Property Lease, the Site Lease or the Continuing Disclosure Agreement, including, without implied limitation, the annual reports and notices of material events to be provided by the City under the Continuing Disclosure Agreement and notices to be provided by the Trustee to the City or the Authority regarding noncompliance with any provision of the Indenture or the Property Lease.

“Opinion of Bond Counsel” means a written opinion of an attorney-at-law, or a firm of such attorneys, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“Outstanding”, when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.02) all Bonds theretofore executed, issued and delivered by the Authority under this Indenture except:

(1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Bonds for the payment or redemption of which funds and Defeasance Obligations in the necessary amount shall have been deposited theretofore with the Trustee as provided in Article X (whether upon or prior to the maturity or redemption date of such Bonds), provided, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or some other provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(3) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the Authority pursuant to Section 2.09.

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

“Permitted Encumbrances” has the meaning given that term in the Property Lease.

“Permitted Investments” means any of the following which at the time acquired or made are legal investments for the Authority, under applicable State of California laws, for the moneys held hereunder then proposed to be invested therein (provided that the Trustee shall be entitled to rely upon any investment directions from the Authority as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State of California), but only to the extent that the same are acquired at Fair Market Value:

- (a) Defeasance Obligations;
- (b) Federal Housing Administration debentures;
- (c) The following listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
  - (i) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts),
  - (ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes,
  - (iii) Federal Home Loan Banks (FHL Banks) consolidated debt obligations, and
  - (iv) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
- (d) Unsecured certificates of deposit, time deposits, and bankers’ acceptances (having maturities of not more than 365 days, except for banker’s acceptances which may not have maturities of more than 180 days) of any bank the short-term obligations of which are rated “A-1+” or better by S&P and “Prime-1” by Moody’s including those of the Trustee and its affiliates.
- (e) Deposits the aggregate amount of which are insured by the Federal Deposit Insurance Corporation or collateralized by Government Obligations, in banks, which may include the Trustee and its affiliates, which have capital and surplus of at least \$15 million.
- (f) Commercial paper (having original maturities of not more than 270 days) having at the time of purchase or contractual commitment to invest therein, a rating of “A-1+” or better from S&P and “Prime-1” by Moody’s.
- (g) Money market mutual funds having a rating in the highest investment category granted thereby from S&P or Moody’s, including those for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise.
- (h) Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits,

other deposit products, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Authority, or bankers acceptances of depository institutions, including the Trustee or any of its affiliates.”

(i) “State Obligations,” which means:

(i) Direct general obligations of any state of the United States of America or any subdivision of agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated at least “A3” by Moody’s and at least “A-” by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated,

(ii) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (i) above and rated “A-1” by S&P and “MIG-1” by Moody’s, and

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (ii) above and rated “AA-” or better by S&P and “Aa3” or better by Moody’s;

(j) Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:

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

(ii) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations,

(iii) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification Report”),

(iv) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations,

(v) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report, and

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

(k) Repurchase agreements with (i) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A-” by S&P and “A3” by Moody’s, or (ii) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A-” by S&P and “A3” by Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation, or (iii) any other entity rated at least “A-” by S&P and “A3” Moody’s (each an “Eligible Provider”);

(l) Investment agreements: with a domestic bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, or the guarantor is rated at least “AA-” by S&P and “Aa3” by Moody’s; and

(m) the Local Agency Investment Fund established under Section 16429.1 of the Government Code of the State of California, provided, however, that the Trustee must be allowed to make investments and withdrawals in its own name and the Trustee may restrict investments in the Local Agency Investment Fund if required to keep moneys available for the purposes of the Indenture.

“Principal Fund” means the fund by that name created pursuant to Section 5.02(b) hereof.

“Principal Payment Date” means any June 1 on which the principal of the Bonds is scheduled to be paid.

“Property Lease” means the Property Lease, made and entered into as of August 1, 2024, by and between the Authority, as lessor, and the City, as lessee, providing for the lease of the Leased Property from the Authority to the City, as the same may be amended or supplemented.

“Rating Agency” means Moody’s and/or S&P and/or Fitch so long as each of them, as applicable, maintain a rating on the Bonds.

“Record Date” means the 15th day of the calendar month immediately preceding the month in which an Interest Payment Date occurs regardless of whether or not such day is a Business Day.

“Revenue Fund” means the fund by that name created pursuant to Section 5.01 hereof.

“Revenues” means (i) the Base Rentals set forth in Exhibit B to the Property Lease which are received by the Trustee for the benefit of the Owners of the Bonds and (ii) other amounts received by the Trustee for the benefit of the Owners of the Bonds.

“S&P” means Standard & Poor’s, a division of the McGraw Hill Companies, of New York, New York, its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority or the City.

“Securities Depositories” means The Depository Trust Company, at such addresses and/or to such other securities depositories as the Authority may designate in a Request of the Authority delivered to the Trustee.

“Serial Bonds” means (i) the 2024 Bonds maturing on June 1 in each of the years June 1, \_\_\_ through June 1, \_\_\_\_ and (ii) any Additional Bonds identified as Serial Bonds in a Supplemental Indenture.

“Sinking Account Payment” means the principal amount of Term Bonds required to be redeemed pursuant to Section 4.01(b)(ii) hereof on any Sinking Account Payment Date.

“Sinking Account Payment Date” means the dates on which Sinking Account Payments are payable on the Term Bonds.

“Site” means the parcels of real property described in Exhibit A attached to the Property Lease, as such description may be modified or amended as provided in the Property Lease and the Site Lease.

“Site Lease” means the Site and Facilities Lease dated as of August 1, 2024 between the City, as lessor, and the Authority, as lessee.

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Surplus Revenue Fund” means the fund by that name created pursuant to Section 5.02(d) hereof.

“Tax Certificate” means, with respect to the 2024 Bonds, collectively, the Tax Certificate, dated as of the date of issuance and delivery of the 2024 Bonds, executed by the City and the Authority

“Term Bonds” means Bonds maturing in \_\_\_ and \_\_\_\_\_ any Additional Bonds identified as such in a Supplemental Indenture.

“Trustee” means the trustee under this Indenture with the duties and powers herein prescribed, its successors and assigns and any other corporation or association which may at any time be substituted in its place as provided in Section 8.01.

“2024 Bonds” means the Carson Public Financing Authority 2024 Lease Revenue Bonds.

**ARTICLE II**

**THE 2024 Bonds**

**SECTION 2.01. Designation.** The Bonds to be issued by the Authority under and subject to the terms of this Indenture and the Law shall be designated as the “Carson Public Financing Authority Lease Revenue Bonds”.

The 2024 Bonds to be issued by the Authority under and subject to the terms of this Indenture and the Law shall be designated as the “Carson Public Financing Authority 2024 Lease Revenue Bonds”, which shall be in the initial aggregate principal amount of \$ \_\_\_\_.

**SECTION 2.02. Terms of 2024 Bonds; Form.**

(a) Dated Date and Maturity Dates. Each 2024 Bond shall be dated its date of original delivery and shall be issued and delivered in fully registered form numbered as the Trustee shall determine. The 2024 Bonds shall be issued and delivered in the denominations of \$5,000 and any integral multiples thereof.

The 2024 Bonds shall mature on the dates, in the principal amounts, and interest with respect thereto shall be computed at the rates, as shown below:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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(b) Calculation of Interest. Interest with respect to each 2024 Bond shall accrue from the Interest Payment Date next preceding the date of authentication thereof, unless (i) it is authenticated after a Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date, or (ii) it is authenticated on or before the Record Date immediately preceding the first Interest Payment Date in which event interest with respect thereto shall be payable from its dated date; provided, however, that if at the time of authentication of any 2024 Bond, interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment or from its dated date if no interest has been paid or made available for payment. Interest with respect to the 2024 Bonds shall be computed on the basis of a 360-day year composed of 12 months of 30 days each.

Interest with respect to any 2024 Bond shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date, such interest to be paid by check of the Trustee, sent on such Interest Payment Date to the Owner by first-class mail, postage prepaid, at his address as it appears on the registration book maintained by the Trustee, or, upon written request of an Owner of at least \$1,000,000 in aggregate principal amount of 2024 Bonds received by the Trustee on or prior to the Record Date, by wire transfer in immediately available funds to an account with a financial institution within the continental limits of the United States of America designated by such Owner. Payments of defaulted interest shall be paid by check to the

Owners as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the Owners by first class mail not less than 10 days prior thereto.

(c) Principal Provisions. Principal and premium, if any, with respect to each 2024 Bond is payable upon surrender of such 2024 Bond at the Corporate Trust Office of the Trustee upon maturity or the earlier redemption thereof. The principal of, premium, if any, and interest on the 2024 Bonds shall be payable in lawful money of the United States of America.

(d) Form. The 2024 Bonds shall be substantially in the form set forth in Exhibit A attached hereto and incorporated herein by this reference.

(e) Book-Entry. So long as the 2024 Bonds shall be in book-entry, principal of, premium, if any and interest on the 2024 Bonds shall be paid as provided in Section 2.10.

**SECTION 2.03. Execution and Authentication of 2024 Bonds.** The 2024 Bonds shall be executed on behalf of the Authority by the signature of its the President, Chief Administrative Officer, Treasurer or the Finance Director, and attested on behalf of the Authority by the signature of its Secretary or Assistant Secretary. Any of the signatures of President, Chief Administrative Officer, Treasurer, Finance Director or Secretary may be by printed facsimile reproduction. If any officer whose signature appears on any 2024 Bond ceases to be such officer before delivery of the 2024 Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2024 Bonds to the purchaser. Also, any 2024 Bond may be signed and attested on behalf of the Authority by such persons as at the actual date of the execution of such 2024 Bond shall be the proper officers of the Authority although at the nominal date of such 2024 Bond any such person may not have been such officer of the Authority.

Only such of the 2024 Bonds as shall bear thereon a certificate of authentication and registration in the form herein before recited, manually signed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the 2024 Bonds have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Indenture.

**SECTION 2.04. Transfer of Bonds.** Any registered Bond may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.06 by the person in whose name it is registered, in person or by his duly authorized attorney in writing, upon surrender of such fully registered Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed.

Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds for like aggregate principal amount, maturity date and interest rate. The Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of any Bond shall be required to be made during the period after the Record Date through and including the next succeeding Interest Payment Date or during the period designated for selection of Bonds for redemption, or of any Bond so selected for redemption.

The transferor shall also provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section



6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.”

**SECTION 2.05. Exchange of Bonds.** Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of fully registered Bonds of other authorized denominations of the same maturity and interest rate. The Trustee shall require the payment by the Bond-owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. No such exchange shall be required during the period after the Record Date through and including the next succeeding Interest Payment Date or during the period designated for selection of Bonds for redemption, or of any Bond so selected for redemption.

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

**SECTION 2.07. Execution of Documents and Proof of Ownership.** Any request, direction, consent, revocation of consent or other instrument in writing required or permitted by this Indenture to be signed or executed by the Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent shall be sufficient for any purpose of the Indenture (except as otherwise herein provided), if made in the following manner. The fact and date of the execution by any Owner or his attorney or agent of any such instrument, and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the person signing such instrument acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

The ownership of Bonds, the amount, numbers and other identification thereof, and the date of holding the same, shall be proved by the bond registration books held by the Trustee.

Any request, consent or declaration 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 pursuant to such request, consent or declaration.

In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any action pursuant to this Indenture, Bonds which are disqualified as provided in Section 9.02 shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided, that, for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so disqualified shall be disregarded. Bonds so disqualified which have been pledged in good faith may be regarded as Outstanding for the purpose of this section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person whose ownership of the Bonds would cause the Bonds to be disqualified pursuant to Section 9.02. 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 2.08. Temporary Bonds.** The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority 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 shall be authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive fully registered Bonds. If the Authority issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered for cancellation in exchange therefor at the Principal Corporate Trust Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive fully registered Bonds of authorized denominations of the same maturity or maturities and interest rate or rates. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

**SECTION 2.09. 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, if necessary, 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 cancelled by it and destroyed. 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 the Trustee and indemnity satisfactory to the Trustee shall be given, then the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate, if necessary, and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Authority may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this section and of the expenses which may be incurred by the Authority and the Trustee in the premises.

If any such destroyed, stolen or lost Bond shall have matured or shall have been called for redemption, payment of the amount due thereon may be made by the Trustee at the direction of the Authority upon receipt of like proof, indemnity and payment of expenses.

Any such substitute Bond issued pursuant to this section shall be entitled to equal and proportionate benefits with all other Bonds issued hereunder. The Authority and the Trustee shall not be required to treat both the original Bond and any substitute Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and substitute Bond shall be treated as one and the same.

**SECTION 2.10. Book-Entry; Limited Obligation of Authority.** The Bonds may be issued in the form of a separate single fully registered Bond (which may be typewritten) for each maturity. The ownership of such Bond shall be registered in the registration books kept by the Trustee in the name of the Nominee as nominee of the Depository.

With respect to Bonds registered in the registration books kept by the Trustee in the name of the Nominee, the Authority and the Trustee shall have no responsibility or obligation to any such Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than as shown in the registration books kept by the Trustee, 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 Bonds are redeemed in part, (iv) the payment to any Participant or any other Person, other than a Nominee as shown in the registration books kept by the Trustee, of any principal of, premium, if any, or interest on the Bonds, or (v) or any consent given or other action taken by the Depository. The Authority and the Trustee may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Trustee as the owner and absolute Owner of such Bond for the purpose of payment of principal, premium, if any, and interest on such Bond, for the purpose of giving notices of prepayment and other matters with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes whatsoever.

The Trustee shall pay all principal, premium, if any, and interest with respect to the Bonds, only to or upon the order of the respective Owners, as shown in the registration books kept by the Trustee, or their respective attorneys 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, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Trustee, shall receive a Bond evidencing the obligation of the Authority to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by the Depository to the Nominee, the Trustee 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 Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository. The requirement for physical delivery of the Bonds in connection with a demand for purchase under this Indenture shall be deemed satisfied when the ownership rights in the Bonds are transferred by DTC Participants on the records of the Depository to the Participant account of the Trustee.

**SECTION 2.11. Representation Letter.** In order to qualify the Bonds for the Depository's book-entry system, the Authority shall execute, seal, countersign and deliver to such Depository a letter from the Authority representing such matters as shall be necessary to so qualify the Bonds (the "Representation Letter"). The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.10 hereof or in any other way impose upon the Authority or the Trustee any obligation whatsoever with respect to Persons having interests in the Bonds other than the Owners, as shown on the registration books kept by the Trustee. In the written acceptance of the Trustee, such Trustee shall agree to take all actions necessary for all representations of the Authority in the Representation Letter with respect to the Trustee to at all

times be complied with. In addition to the execution and delivery of the Representation Letter, the Authority shall take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry system.

**SECTION 2.12. Transfers Outside Book-Entry System.** The Authority may by written request, at any time or for any reason, remove the Depository and appoint a successor or successors thereto. In the event (i) the Depository determines not to continue to act as securities depository for the Bonds, or (ii) the Authority determines that the Depository shall no longer so act, then the Authority will discontinue the book-entry system with the Depository. 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 registration books kept by the Trustee in the name of the Nominee, but shall be registered in whatever name or names the Owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 2.04.

In connection with any proposed transfer outside the Book-Entry Only system, the Authority, the City or DTC shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

**SECTION 2.13. Payments and Notices to the Nominee.** Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments of principal of, premium, if any, 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 in writing by the Depository.

**SECTION 2.14. Additional Bonds.** In addition to the 2024 Bonds authorized to be issued pursuant to Section 2.01 of this Indenture, the Authority may, by Supplemental Indenture, establish one or more other issues of Additional Bonds on a parity with the 2024 Bonds, and may issue and deliver such Additional Bonds in such principal amount as shall be determined by the Authority, but only upon compliance by the Authority with the provisions of this Section 2.14 and Section 2.15, and subject to the following specific conditions which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) Such Additional Bonds shall have been authorized to finance or refinance acquisition and/or improvement of capital assets for the City, and the issuance thereof shall have been determined and declared by the Authority, in a Supplemental Indenture, to be necessary for that purpose.

(b) The Authority and the City shall be in compliance with all covenants and undertakings set forth in this Indenture, the Property Lease and the Site Lease.

(c) The aggregate principal amount of Bonds issued and at any time Outstanding hereunder shall not exceed any limit imposed by law, by this Indenture or by any Supplemental Indenture.

(d) Such Additional Bonds shall be equally and ratably secured by the Revenues with all other Bonds herein authorized. A series of Additional Bonds may be issued without a corresponding deposit into a debt service reserve fund.

(e) The Authority shall have entered into an amendment to the Property Lease, in and by which the City obligates itself in the manner provided in the Property Lease to make Base Rental payments for the lease of the Leased Property at the times and in the amounts sufficient to provide for the payment of the principal of and interest on such Additional Bonds as such principal and interest become due and to make all other payments in the manner provided in the Property Lease, and the City shall certify in writing, that such Base Rental payments, as amended, in any Lease Year shall not exceed the fair rental value of the Leased Property.

(f) If necessary to ensure that the Base Rental payable after the issuance of Additional Bonds does not exceed the fair rental value of the Leased Property in any Lease Year, the Authority and the City shall have amended the Property Lease pursuant to Section 12.03 thereof to add additional property to the Leased Property.

(g) In the event that the Additional Bonds are being issued to finance the construction of a to-be-built project, such project is to be part of the Leased Property prior to its completion and the City has determined that the project must be completed for the Base Rental payments after the issuance of the Additional Bonds to not exceed the fair rental value of the Leased Property in any Lease Year, the Supplemental Indenture authorizing the issuance of such Additional Bonds shall require the deposit into a separate account (the "Capitalized Interest Account") an amount sufficient to pay interest on such Additional Bonds through a date which is not less than six months after the anticipated completion date of the project.

**SECTION 2.15. Proceedings for the Issuance of Additional Bonds.** Whenever the Authority shall have determined to issue Additional Bonds pursuant to Section 2.14, the Authority shall enter into a Supplemental Indenture determining that the issuance of such Additional Bonds is necessary for the purposes specified in Section 2.14, specifying the principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds and the funds to be established for the security and payment thereof. Before such Additional Bonds shall be issued and delivered, the Authority shall file the following documents with the Trustee:

(a) An executed copy of the Supplemental Indenture authorizing such Additional Bonds, together with a certified copy of the resolution of the Authority authorizing the issuance of such Additional Bonds and the execution of such Supplemental Indenture. The Authority may add a definition of "Project Costs" in the Supplemental Indenture to identify the authorized costs to be paid from proceeds of the Additional Bonds.

(b) An Opinion of Bond Counsel stating: (i) that the execution and delivery of the Additional Bonds have been sufficiently and duly authorized by the Authority; (ii) that the issuance of the Additional Bonds is authorized by the Law and this Indenture; (iii) that the Additional Bonds when duly executed and delivered, will be valid and binding obligations of the Authority, payable from Revenues in accordance with the terms of this Indenture and the Supplemental Indenture authorizing the issuance of such Additional Bonds; (iv) that upon the delivery of the Additional Bonds the aggregate principal amount of Bonds then Outstanding will not exceed the amount at the time permitted by law or the then limits of indebtedness of the Authority, if any; (v) if the Additional Bonds are to be tax-exempt, that the interest on the Additional Bonds will be excluded from the gross income of the Owners thereof for federal income tax purposes; and (vi) that the issuance of such

Additional Bonds will not, of itself, cause interest on tax-exempt Bonds to become includable in gross income for federal income tax purposes.

(c) A Certificate of the Authority certifying that the requirements set forth in Section 2.14 have been either met or provided for, together with a copy of the amendment to the Property Lease required by Section 2.14, together with a certified copy of the resolutions of the Authority and the City authorizing the execution of such amendment to the Property Lease.

(d) The City shall send a written notice of the issuance of the bonds to each rating agency then rating the Bonds.

**SECTION 2.16. Applicability to Additional Bonds.** Unless otherwise specified in the Supplemental Indenture pursuant to which an issue of Additional Bonds are issued, the provisions of the Indenture that are not exclusively applicable to the 2024 Bonds shall apply to such issue of Additional Bonds.

## ARTICLE III

### ISSUANCE OF 2024 Bonds

**SECTION 3.01. Issuance of 2024 Bonds.** At any time after the execution of this Indenture, the Authority may execute and the Trustee shall authenticate and, upon the Request of the Authority, deliver the 2024 Bonds in the aggregate principal amount of \$\_\_\_\_\_.

**SECTION 3.02. Application of Proceeds of Sale of 2024 Bonds – Allocation Among Funds.** Upon receipt of the net proceeds from the sale of the 2024 Bonds from the original purchaser of the 2024 Bonds, being \$\_\_\_\_, representing the purchase price of the 2024 Bonds in the amount of \$\_\_\_\_ (constituting the par amount of the 2024 Bonds, plus an original issue premium/less an original issue discount in the amount of \$\_\_\_\_, and less an underwriters' discount of \$\_\_\_\_) less the premium for the Bond Insurance Policy (\$\_\_\_\_) (which the original purchaser wired directly to the Bond Insurer on the Closing Date), the Trustee shall deposit the remaining proceeds as follows:

- (a) The Trustee shall deposit into the Costs of Issuance Fund the amount of \$\_\_\_\_\_.
- (b) The Trustee shall deposit the remainder of the proceeds, being an amount equal to \$\_\_\_\_, into the Improvement Fund.

The Trustee, in its discretion, may establish a temporary fund or account to facilitate or properly account for the foregoing deposits.

**SECTION 3.03. Establishment and Application of Improvement Fund.** The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Improvement Fund," into which amounts should be deposited pursuant to Section 3.02(b). All moneys in the Improvement Fund shall be applied by the Trustee to the payment of the costs of the acquisition, construction and installation of certain public facilities and improvement.

Before any payment is made from the Improvement Fund by the Trustee, the Authority shall file a Request of the Authority showing with respect to each payment to be made: (a) the item number of the payment; (b) the name and address of the person to whom payment is made; (c) the amount to be paid; (d) the purpose for which the obligation was incurred; (e) a statement that obligations in the statement amounts have been incurred by the Authority and have not previously been the subject of a Request of the Authority for payment; and (f) a statement that each item thereof is a proper charge against the Improvement Fund. A form of said Request of the Authority is attached as Exhibit "D" hereto.

Upon receiving such a request, the Trustee will pay the amount set forth in the request as directed by the terms of the request, and the Trustee may conclusively rely on the request as complete authorization for any payment from the Improvement Fund. When the public facilities have been acquired, constructed, installed and accepted, a statement of the Authority stating the fact and date of completion and that all such costs of acquisition, construction, and installation, and incidental expenses, have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Improvement Fund is to be maintained in the full amount of such claims until the dispute is resolved), shall be delivered to the Trustee by the Authority. Upon delivery, any remaining

balance in the Improvement Fund will be transferred by the Trustee to the Lease Revenue Fund, and the Trustee shall close the Improvement Fund.

**SECTION 3.04. Establishment and Application of Costs of Issuance Fund.** The Trustee shall establish, maintain and hold in trust a Costs of Issuance Fund, and the moneys in said funds shall be disbursed and applied only as hereinafter authorized.

The Trustee shall deposit proceeds of the 2024 Bonds into the Costs of Issuance Fund in accordance with Section 3.02(i) hereof. All money in the Costs of Issuance Fund shall be withdrawn and applied by the Authority to pay Costs of Issuance with respect to the 2024 Bonds upon a Requisition of the Authority filed with the Trustee. Each such Requisition shall be sequentially numbered, shall state the person to whom payment shall be made, the amount to be paid, the purpose for which such obligation was incurred, and that such payment is a proper charge against said fund. The Trustee shall rely fully on any such Requisition delivered pursuant to this Section and shall not be required to make any investigation in connection therewith. All moneys remaining in the Costs of Issuance Fund on December 1, 2024 (or such earlier date as the Authority or the City may direct the Trustee in writing) shall be transferred by the Trustee to the Interest Fund, as directed in writing by the City or the Authority. Thereafter, the Costs of Issuance Fund shall be closed.



## ARTICLE IV

### REDEMPTION OF BONDS

#### SECTION 4.01. Redemption.

(a) Mandatory Redemption from Insurance or Condemnation Proceeds. The Trustee shall, on such date as is set forth in a Request of the Authority, redeem the Bonds, including the 2024 Bonds, as a whole, or in part by lot within any maturity if less than all of the Bonds of a particular maturity are to be redeemed, from proceeds of insurance or proceeds of eminent domain proceedings, upon the terms and conditions of, and as provided for in, Sections 6.13 and 6.17 hereof, respectively, at the principal amount thereof and accrued interest thereon to the date fixed for redemption, without premium.

(b) Mandatory Sinking Fund Redemption of Term Bonds. The Term Bonds are subject to mandatory redemption in whole, or in part by lot, from sinking fund payments made under Section 5.02(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest to the date of redemption, in the aggregate respective principal amounts and on \_\_\_\_ 1 in the years as set forth in the following table:

Bonds Maturing \_\_\_\_ Mandatory Sinking Fund Redemption

If some but not all of the Term Bonds have been redeemed under Sections 4.01(a) or (c), the total amount of all future sinking fund payments (including the principal amount of the Term Bonds coming due at the maturity thereof) will be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis as determined by the Authority, which shall notify the Trustee in writing of such determination.

(c) Optional Redemption from Prepayments of Base Rental Payments. The Bonds maturing on or after June 1, \_\_\_\_ shall be subject to redemption prior to their respective maturity dates as a whole or in part on any date on or after December 1, \_\_\_\_, in any order deemed reasonable by the Authority, and by lot within a maturity, from prepayments of Base Rental Payments made at the option of the City pursuant to Section 11(b) of the Property Lease, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

(d) Purchase In-Lieu of Redemption. In lieu of redemption of the 2024 Bonds pursuant to this Section, amounts on deposit in the Revenue Fund (to the extent not required to be deposited by the Trustee in the Interest Fund or the Principal Fund pursuant to Section 5.02 during the current Bond Year) may also be used and withdrawn by the Authority, upon the Request of the Authority delivered to the Trustee, at any time for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Authority may in its discretion determine.

**SECTION 4.02. Selection of Bonds for Redemption.** For purposes of selecting Bonds for redemption, Bonds shall be deemed to be composed of \$5,000 portions or any integral multiple thereof. Unless otherwise directed by the Authority, whenever less than all of the Outstanding Bonds of more than one series are called for redemption at any one time, the Trustee will select the Outstanding Bonds or portions thereof to be redeemed on a pro rata basis between the series.

Whenever less than all the Outstanding Bonds of the same issue maturing on any one date are called for redemption at any one time, the Trustee shall select the Bonds or portions thereof to be redeemed from the Outstanding Bonds maturing on such date not previously selected for redemption, on a pro rata basis, unless otherwise directed by the Authority.

**SECTION 4.03. Notice of Redemption.** Notice of redemption shall be mailed by the Trustee by first class mail, not less than twenty (20) nor more than sixty (60) days prior to the redemption date to (i) the respective Owners of Bonds designated for redemption at their addresses appearing on the Bond registration books of the Trustee, (ii) the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website and (iii) the Securities Depositories. The Authority shall provide written notice to the Trustee of any prepayment under the Property Lease as provided in the Property Lease and, upon the receipt of such notice or upon the receipt of a Request of the Authority to redeem Bonds as provided in Section 6.13 or Section 6.17, the Trustee shall prepare and mail notice of redemption as provided herein. Each notice of redemption shall state the date of such notice, the Bonds to be redeemed, the date of issue of such Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses and telephone number or numbers of the Trustee), the CUSIP number (if any) of the maturity or maturities, the interest rate and maturity date of each Bond to be redeemed, and, if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions 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 such Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Each notice relating to a redemption of Bonds other than a mandatory sinking fund redemption of Term Bonds shall further state that such redemption may be rescinded by the Authority on or prior to the date set for redemption.

The Trustee shall mail by certified mail with return receipt requested a second notice of redemption sixty (60) days after the scheduled redemption date to Owners who failed to surrender their Bonds on such redemption date.

Failure by the Trustee to give notice pursuant to this Section 4.03 to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website or any one or more of the Securities Depositories or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. The failure of any Bondowner to receive any redemption notice mailed to such Bondowner and any defect in the notice so mailed shall not affect the sufficiency of the proceedings for redemption. The Trustee shall not have any liability to any party in connection with any failure to timely file such notice with the Municipal Securities Rulemaking Board via its Electronic Municipal Marketplace Access system and the sole remedy available shall be an action by the holders of the Bonds in mandamus for specific performance or similar remedy to compel performance.”

Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such numbers.

The Authority shall have the right to provide a conditional redemption notice and to rescind any redemption notice by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

**SECTION 4.04. Partial Redemption.** Upon surrender of any Bond redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered and of the same interest rate and maturity.

**SECTION 4.05. Effect of Redemption.** When notice of redemption has been duly given as aforesaid, and moneys for payment of the redemption price are deposited with the Trustee, the Bonds so called for redemption shall, on the redemption date designated in such notice, become due and payable at the redemption price specified in such notice, and from and after the date so designated interest on the Bonds so called for redemption shall cease to accrue, said Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. Subject to Section 10.03 hereof, the Trustee shall, upon surrender for payment of any of said Bonds, pay such Bonds at the redemption price aforesaid.

All Bonds redeemed pursuant to the provisions of this Article IV shall be cancelled upon surrender thereof and destroyed, and no Bonds shall be issued in place thereof.

**ARTICLE V**  
**REVENUES**

**SECTION 5.01. Pledge of Revenues; Revenue Fund.** The Authority hereby pledges and assigns to the Trustee and grants to the Trustee a lien on and security interest in all right, title and interest of the Authority in and to all of the following, which lien and security interest, except as otherwise expressly set forth herein, shall be prior in right to any other pledge, lien or security interest created by the Authority therein:

- (i) the Revenues,
- (ii) all moneys and investments (excluding amounts required to pay rebate) held from time to time by the Trustee under this Indenture, and
- (iii) earnings on amounts included in provisions (i) and (ii) of this Section, subject to any limitations under the Code,

which pledge, assignment, grant, lien and security interest are for the equal and proportionate benefit and security of Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be, with respect to the security provided thereby, of equal rank without preference, priority or distinction as to any Bond over any other Bond or Bonds, except as to the timing of payment of the Bonds.

The Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding, except that out of Revenues there may be apportioned and paid such sums, for such purposes, as are expressly permitted by Section 5.02.

Except as otherwise provided in Section 8.04, all Revenues to which the Authority may at any time be entitled shall be paid directly to the Trustee and all of the Revenues collected or received by the Authority shall be deemed to be held in trust and to have been collected or received by the Authority as the agent of the Trustee, and if received by the Authority at any time shall be deposited by the Authority with the Trustee within one Business Day after the receipt thereof, and all such Revenues shall be forthwith deposited by the Trustee upon the receipt thereof in a special fund, designated as the "Revenue Fund," which fund is hereby created. The Revenue Fund shall be maintained by the Trustee, separate and apart from all other funds, so long as any of the Bonds remain Outstanding. All moneys at any time deposited in the Revenue Fund shall be held by the Trustee in trust for the benefit of the Owners from time to time of the Bonds and shall be disbursed, allocated and applied solely for the uses and purposes hereinafter in this Article V set forth.

**SECTION 5.02. Allocation of Revenues to Special Funds.** Upon receipt thereof, the Trustee shall deposit all Revenues in the Revenue Fund. The Trustee shall thereupon deposit all moneys in the Revenue Fund in one or more of the funds set forth in this Section 5.02, each of which the Trustee shall establish, maintain and hold in trust, and the moneys in each of which shall be disbursed and applied only as hereinafter authorized. Such Revenues shall be so deposited in the following order of priority, the requirements of each such fund at the time of deposit to be satisfied before any transfer is made to any fund subsequent in priority:

- (a) Interest Fund. The Trustee, on or before the Business Day next preceding each Interest Payment Date, shall deposit in the Interest Fund an amount which, together

with any balance then on deposit in said Fund, will be sufficient to pay the aggregate amount of interest becoming due and payable on the Outstanding Bonds on the next succeeding Interest Payment Date.

Any moneys in the Interest Fund not then required for the payment of interest on the next succeeding Interest Payment Date shall be carried forward and applied to the payment of interest on any subsequent Interest Payment Date. Moneys in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds when due and payable (including accrued interest on any Bonds redeemed or purchased prior to maturity), subject, however, to the provisions of Section 5.03.

(b) Principal Fund. There is hereby created a Principal Fund to be held by the Trustee. The Trustee, on or before the Business Day next preceding each Principal Payment Date and on or before each Sinking Account Payment Date, after making the deposit required on such date by subsection (a) above, shall deposit in the Principal Fund an amount which, together with any balance then on deposit in said Fund, equals the principal of the Bonds then due or required to be paid on such Principal Payment Date or Sinking Account Payment Date with respect to the Bonds in accordance with the terms of this Indenture.

Any moneys in the Principal Fund not then required for the payment of such principal on such Principal Payment Date or Sinking Account Payment Date shall be carried forward and applied to the payment of principal on any subsequent Principal Payment Date or Sinking Account Payment Date. Moneys in the Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds when due and payable, subject, however, to the provisions of Section 5.03.

(c) SECTION 5.05. Redemption Fund. Upon the receipt of any funds which are required to be applied to the redemption of Bonds under Section 4.01(c), the Trustee shall establish and maintain the Redemption Fund, into which the Trustee shall deposit such funds, in accordance with a Written Request of the Authority (Trustee to receive advance written notice how funds are to be applied). Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and interest of the Bonds to be redeemed under Section 4.01(c).

(d) Surplus Revenue Fund. After making the deposits required by subsections (a) through (d) above, the Trustee, on or before the Business Day immediately preceding each Principal Payment Date, shall deposit any remaining Revenues in the Surplus Revenue Fund. The Trustee shall, immediately upon making each deposit in the Surplus Revenue Fund, determine if any moneys then in the Surplus Revenue Fund shall be required for the payment of principal or interest on the Bonds on such Principal Payment Date or the next succeeding Interest Payment Date or for the replenishment of a debt service reserve fund (if any) so that amounts on deposit therein are not less than the required amount, and shall hold any such moneys in the Surplus Revenue Fund for transfer to the Interest Fund, the Principal Fund or such debt service reserve fund as so needed. Except as hereinabove provided, moneys in the Surplus Revenue Fund are not pledged to the Bonds and shall be paid to, or at the direction of, the City within 60 Business Days after each Principal Payment Date.

(e) Insurance and Eminent Domain Proceeds Fund. The net proceeds resulting from any insurance claim or eminent domain proceedings and payable to the Trustee shall be deposited in the Insurance and Eminent Domain Proceeds Fund and applied as set forth in Section 6.13 and Section 6.17 hereof, as applicable.

**SECTION 5.03. Reimbursement of Rental.** All moneys in any of the funds established pursuant to Section 5.02 that are unavailable to be used to pay debt service on the Bonds as a result of the abatement provisions of the Property Lease (if any), may be used at any time to reimburse the City for any rental paid by the City under the Property Lease for a period of time during which the payment of rental under the Property Lease is abated pursuant to Section 3.06 thereof and for which no other moneys are available. The Trustee shall disburse any such funds to the City upon receipt of a Requisition of the Authority directing the Trustee to do so. The Trustee shall rely fully on any such Requisition pursuant to this Section and shall not be required to make any investigation in connection therewith.

## ARTICLE VI

### COVENANTS OF THE AUTHORITY

**SECTION 6.01. Payment of Principal and Interest.** The Authority will pay the principal and the interest (and premium, if any) to become due in respect of every Bond issued hereunder at the times and places and in the manner provided herein and in the Bonds. When and as paid in full, all Bonds shall be cancelled by the Trustee, and thereafter they shall be destroyed, and the Trustee shall deliver to the Authority a certificate of destruction.

**SECTION 6.02. Extension or Funding of Claims for Interest.** In order to prevent any claims for interest after maturity, the Authority will not extend or assent directly or indirectly to the extension of time for the payment of any claim for interest on any of the Bonds, and will not be a party to or approve any such arrangement directly or indirectly by purchasing or funding such claims or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Authority, such claim for interest so extended or funded shall not be entitled, in case of 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 which shall not have been so extended or funded.

**SECTION 6.03. Maintenance of Revenues.** The Authority will collect all rents and charges due to the Authority for the occupancy or use of the Leased Property promptly as the same become due, and will enforce its rights promptly and vigorously against any tenant or other person who does not pay such rents or charges as they become due. The Authority will maintain and enforce all of its rights under the Property Lease vigorously at all times.

**SECTION 6.04. Accounting Records and Reports.** The Authority shall keep (or cause to be kept) proper books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of the Revenues, and such books shall be available for inspection by the Trustee (who shall have no duty to so inspect) at reasonable hours and under reasonable conditions. Not more than one hundred and eighty (180) days after the close of each Fiscal Year the Authority shall cause to be prepared, and shall furnish to any Bondowner who may so request, a complete financial statement covering receipts, disbursements, allocation and application of all income and Revenues for such Fiscal Year, including fund balances, accompanied by an audit report, which maybe the audit report of the City and opinion of an Independent Public Accountant to be employed by the Authority or the City. Such financial statement, audit report and opinion shall also be filed with the Trustee. The Trustee shall have no duty to review, verify or analyze such financial statements, audit report and opinion and shall hold such financial statements solely as a repository for the benefit of the Bondowner; the Trustee shall not be deemed to have notice of any information contained therein, default or event of default which may be disclosed therein in any manner.

**SECTION 6.05. Compliance with Indenture.** The Authority will observe and perform all the covenants, conditions and requirements of this Indenture faithfully, and will not suffer or permit any default to occur hereunder, nor do or permit to be done in, upon or about the Leased Property, or any part thereof, anything that might in any way weaken, diminish or impair the security intended to be given pursuant to this Indenture.

**SECTION 6.06. Compliance with Property Lease.** Without allowance for any grace period which may or might exist or be allowed by law or granted pursuant to any terms or

conditions of the Property Lease, the Authority will keep, perform and comply promptly and faithfully in all respects with all the terms, provisions, covenants, conditions and agreements of the Property Lease to be kept, performed and complied with by it. The Authority will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for declaring a forfeiture of the Property Lease, or would or might be a ground for cancellation or termination of the Property Lease by the lessee thereunder. Upon request of the Trustee, the Authority will deposit promptly with the Trustee (to be held by the Trustee until the title and rights of the Trustee under this Indenture shall be released or reconveyed) any and all documentary evidence received by it showing compliance with the provisions of the Property Lease to be performed by it. The Authority, immediately upon its receiving or giving any notice, communication or other document in any way relating to or affecting the Property Lease, or the leasehold estate thereby created, which may or can in any manner materially affect the estate of the lessor or of the lessee in or under the Property Lease, will deliver the same, or a copy thereof, to the Trustee.

**SECTION 6.07. Payment of Taxes.** The Authority will pay or cause to be paid all taxes, assessments and other governmental charges, if any, that may be levied, assessed or charged upon the Leased Property or any part thereof, or upon the Revenues or any part thereof, promptly as and when the same shall become due and payable; and the Authority will keep the Trustee advised of such payments, upon request of the Trustee, from time to time. The Authority will not suffer the Leased Property, or any part thereof, to be sold for any taxes, assessments or other charges whatsoever, or to be forfeited therefor.

**SECTION 6.08. Observance of Laws and Regulations.** To the extent material to the issuance of and security for the Bonds, the Authority will keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Authority, including its right to exist and carry on business as a public body, corporate and politic, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

**SECTION 6.09. Maintenance and Repair of Leased Property.** The Authority shall maintain or cause to be maintained in good condition and keep in good repair the Leased Property and all buildings, facilities and equipment now or hereafter constituting any part of the same, and shall not commit or allow any waste with respect to the Leased Property.

**SECTION 6.10. Other Liens.** The Authority shall keep the Leased Property and all parts thereof free from judgments, from mechanics' and materialmen's liens (except those arising from the construction of additions or improvements to the Facilities) and free from all liens, claims, demands and encumbrances of whatever nature or character (except those permitted by the Property Lease) to the end that the security provided pursuant to this Indenture may at all times be maintained and preserved, and the Authority shall keep the Leased Property free from any claim or liability which might embarrass or hamper the Authority in conducting its business or operating the Leased Property. The Trustee at its option (after first giving the Authority 10 days' written notice to comply therewith and failure of the Authority to so comply within said 10-day period) may defend against any and all actions or proceedings in which the validity of this Indenture is or might be questioned, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against such actions or



proceedings or in paying or compromising such claims or demands, the Trustee shall not in any event be deemed to have waived or released the Authority from liability for or on account of any of its covenants and warranties contained herein, or from its liability hereunder to defend the validity of this Indenture and the pledge herein made and to perform such covenants and warranties.

**SECTION 6.11. Against Encumbrances or Sales.** So long as any Bonds are Outstanding, the Authority will not create or suffer to be created any mortgage, pledge, lien or charge upon the Leased Property or any part thereof or the Revenues, or upon any real or personal property essential to the operation of the Leased Property, other than the pledge, lien and charge referred to in the Property Lease or provided for in this Indenture, and other than Permitted Encumbrances. The Authority will not issue any bonds or obligations payable from Revenues or secured by a pledge, lien or charge upon Revenues, other than the Bonds and the Additional Bonds, and will not sell or otherwise dispose of any property essential to the proper operation of the Leased Property or to the maintenance of the Revenues.

**SECTION 6.12. Compliance with Contracts.** The Authority shall comply with the terms, covenants and provisions, express or implied, of all contracts for the use of the Leased Property to which it is a party, and all other contracts and agreements materially affecting or involving the Leased Property.

**SECTION 6.13. Insurance.**

(a) Hazard and Other Insurance.

(1) The Authority shall maintain or cause to be maintained by the City, at all times while any of the Bonds are Outstanding, insurance in the amounts, form and the coverage required of the City pursuant to Article VI of the Property Lease.

(2) The net proceeds of all public liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds have been paid, and the Authority shall use commercially reasonable efforts to deliver the reports described in Section 6.13 (a)(4) within 45 days of the occurrence of the casualty event.

(3) The net proceeds of all rental income interruption insurance shall be treated as Revenues and applied as provided in Section 5.02 hereof.

(4) If all or any part of the Leased Property shall be destroyed or damaged (in whole or in part) by fire or other casualty, the net proceeds of insurance required by Section 6.13(a)(1) hereof resulting from claims for such losses shall be deposited with the Trustee in the Insurance and Eminent Domain Proceeds Fund in trust and shall be applied and disbursed by the Trustee as follows:

(i) If the Trustee is furnished with the report specified in Section 6.13(a)(4)(iii) to the effect that such damage or destruction has not materially affected the operation of the Leased Property or the ability of the Authority to meet any of its obligations hereunder, and if such report states that such proceeds are not needed for repair or rehabilitation of the Leased Property, the Trustee shall treat such proceeds as Revenues and shall apply such proceeds as provided in Section 5.02 hereof.

(ii) If the Trustee is furnished with the report specified in Section 6.13(a)(4)(iii) to the effect that such damage or destruction has not materially affected the operation of the Leased Property or, even if it has, that such damage or destruction has not materially affected the ability of the Authority to meet any of its obligations hereunder, and if such report states that such proceeds are needed for repair or rehabilitation of the Leased Property, the Trustee shall pay to the Authority, or to its order, from said proceeds such amounts as the Authority may expend for such repair or rehabilitation, upon the filing with the Trustee of Requisitions of the Authority specifying the amounts to be disbursed and certifying that such amounts have been or will be used to repair or rehabilitate the Leased Property.

(iii) The Trustee shall be provided a report of an engineer, insurance adjuster, risk manager or other appropriate professional, who may be an employee of the City, regarding the extent of such damage or destruction and its effect on the ability of the Authority to meet its obligations under this Indenture, and whether the proceeds of insurance required by Section 6.13(a)(1) are needed for the repair or rehabilitation of the Leased Property.

(iv) If less than all of the Leased Property shall have been damaged or destroyed, and if the Trustee is furnished with the report specified in Section 6.13(a)(4)(iii) to the effect that such damage or destruction has materially affected the ability of the Authority to meet any of its obligations hereunder, the Trustee shall either apply the net proceeds of insurance (A) to the redemption of Bonds in the manner provided in Article IV, but only if the Authority determines in a Certificate provided to the Trustee that (1) the Base Rental payments thereafter to be made by the City and available to the Trustee, together with other available Revenues, will be sufficient to pay the principal of and interest on the Bonds Outstanding after such redemption when due and (2) the Base Rental payments thereafter to be made by the City and available to the Trustee will not exceed the fair rental value of the Leased Property, and otherwise (B) as provided in subparagraph (a)(4)(ii) of this Section 6.13, above. The Trustee shall apply said proceeds as directed by the Authority pursuant to a Request of the Authority. If the Authority directs the Trustee to redeem Bonds as set forth in (A) above, it shall provide the Trustee with revised Base Rental payment schedules under the Property Lease.

(v) If all of the Leased Property shall have been damaged or destroyed and if that portion of such proceeds available to the Trustee, together with any other moneys then available or made available to the Trustee for the purpose, are sufficient to provide for the payment of the entire amount of principal then due or to become due upon the Bonds, together with the interest thereon, so as to enable the Authority to retire all of the Bonds then Outstanding by redemption or by payment at maturity, then the Trustee shall apply such proceeds to the payment of such interest and to such retirement, but only upon receipt by the Trustee of a Request of the Authority directing such redemption. Alternatively, if the Authority determines that such amounts are insufficient to provide moneys for the purposes specified in the preceding sentence, then the Trustee shall at the Request of the Authority, apply such proceeds in accordance with the provisions of Section 7.02 insofar as the same may be applicable. Notwithstanding the above, in the event

that the insurance moneys received by the Trustee in connection with damage to or destruction of all of the Leased Property are insufficient to redeem all of the Bonds, then the Authority shall use such insurance moneys received under the Property Lease to repair and rehabilitate the Leased Property.

(vi) After all of the Bonds have been retired and the entire amount of principal due or to become due upon the Bonds, together with the interest thereon, have been paid in full, and all other sums required to be paid hereunder by the Authority have been paid in full, the Trustee shall pay the remainder of such proceeds to the City and the Authority in accordance with their respective interests pursuant to a Certificate of the Authority.

(b) Title Insurance.

(1) The Authority will also provide, or cause the City to provide, upon the delivery of the Bonds, a title insurance policy or policies with endorsement so as to be payable to the Trustee for the use and benefit of the Bondowners. Such policy or policies shall be in the amount of the aggregate principal amount of the Bonds initially issued pursuant to Article III hereof, and shall insure the Authority's leasehold interest in the real property described in Exhibit A to the Property Lease, and the City's leasehold therein, subject only to Permitted Encumbrances.

(2) All proceeds received by the Trustee under said policy shall be deposited with the Trustee in the Insurance and Eminent Domain Proceeds Fund in trust and shall be applied and disbursed by the Trustee as follows:

(i) If the Trustee is furnished with the report of an independent professional consultant that such title defect has not materially affected the operation of the Leased Property, or that such title defect has not materially affected the ability of the Authority to meet any of its obligations hereunder, the Trustee shall treat such proceeds as Revenues and shall apply such proceeds as provided in Section 5.02 hereof.

(ii) If less than all of the Leased Property shall have been affected by such title defect, and if the Trustee is furnished with the report of an independent professional consultant to the effect that such title defect has materially affected the operation of the Leased Property or the ability of the Authority to meet any of its obligations hereunder, the Trustee shall apply such proceeds to the redemption of Bonds in the manner provided in Article IV or to the acquisition of real property or an interest therein so as to cure such title defect, but only upon the receipt by the Trustee of a Request of the Authority directing such redemption or acquisition.

(iii) If all of the Leased Property shall have been affected by such title defect and if such proceeds, together with any other moneys then available to the Trustee for the purpose of providing for, and are sufficient to provide for, the payment of the entire amount of principal then due or to become due upon the Bonds, together with the interest thereon, so as to enable the Authority to retire all of the Bonds then Outstanding by redemption or by payment at maturity, then the Trustee shall apply such proceeds to the payment of such interest and to such retirement, but only upon the receipt by the Trustee of a Request of the Authority directing such redemption. Alternatively, if the Authority determines that such

amounts are insufficient to provide moneys for the purposes specified in the preceding sentence, then the Trustee shall apply such proceeds in accordance with the provisions of Section 7.02 insofar as the same may be applicable.

(iv) After all of the Bonds have been retired and the entire amount of principal due or to become due upon the Bonds, together with the interest thereon, have been paid in full, and all other sums required to be paid hereunder by the Authority have been paid in full, the Trustee shall pay the remainder of such proceeds to the City.

(c) The Authority shall deliver to the Trustee, in the month of August in each year a schedule setting forth the insurance policies then in force pursuant to this section, the names of the insurers which have issued the policies, the amounts thereof and the property and risks covered thereby. Such schedule shall contain a certification by the City's Risk Manager that the insurance evidenced therein meets the requirements of the Property Lease. If so requested in writing by the Trustee, the Authority shall also deliver to the Trustee duplicate originals or certified copies of each insurance policy described in such schedule, provided that delivery to the Trustee of the insurance policies under the provisions of this section shall not confer responsibility upon the Trustee as to the sufficiency of coverage or amounts of said policies.

(d) Notwithstanding anything in this Section 6.13 to the contrary, the City shall have the right to adopt the alternative risk management programs described in the Property Lease.

(e) This Section 6.13 shall not apply to proceeds of insurance described herein if the City has established Substitute Leased Property in place of the Leased Property and, in such event, the Trustee shall pay all of such proceeds to the City.

**SECTION 6.14. Prosecution and Defense of Suits.** The Authority shall promptly, upon request of the Trustee or any Bondowner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Leased Property, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Bondowner harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

The Authority shall defend against every suit, action or proceeding at any time brought against the Trustee or any Bondowner upon any claim arising out of the receipt, application or disbursement of any of the Revenues or involving the rights of the Trustee or any Bondowner under this Indenture; provided, that the Trustee or any Bondowner at its election may appear in and defend any such suit, action or proceeding. The Authority shall indemnify and hold harmless the Trustee and the Bondowners against any and all liability claimed or asserted by any person, arising out of such receipt, application or disbursement, and shall indemnify and hold harmless the Bondowners against any attorney's fees or other expenses which any of them may incur in connection with any litigation to which any of them may become a party solely by reason of their ownership of Bonds. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect, even though all indebtedness and obligations issued hereunder may have been fully paid and satisfied.

The Trustee shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by the Trustee unless (i) the employment of such counsel has been authorized by

the Authority or, (ii) the Authority shall have failed promptly after receiving notice of such action from the Trustee to assume the defense of such action and employ counsel reasonably satisfactory to the Trustee or (iii) the named parties to any such action (including any impleaded parties) include the Trustee and the Authority, and the Trustee shall have been advised by counsel that there may be one or more legal defenses available to such party which conflict with those available to the Authority or (iv) the Trustee shall have been advised by counsel that there is a conflict on any issue between the Trustee and the Authority.

**SECTION 6.15. Recordation and Filing.** The Authority shall record and file the Property Lease and all such documents as may be required by law (together with whatever else may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order to preserve, protect and perfect fully the security of the Bondowners.

**SECTION 6.16. Reserved.**

**SECTION 6.17. Eminent Domain.** If all or any part of the Leased Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), the proceeds therefrom shall be deposited with the Trustee in the Insurance and Eminent Domain Proceeds Fund in trust and shall be applied and disbursed by the Trustee as follows:

(a) (1) If the Trustee is furnished with the report specified in Section 6.17(a)(3) to the effect that such eminent domain proceedings have not materially affected the operation of the Leased Property or the ability of the Authority to meet any of its obligations hereunder, and if such report states that such proceeds are not needed for repair or such rehabilitation of the Leased Property, the Trustee shall treat proceeds as Revenues and shall apply such proceeds as provided in Section 5.02.

(2) If the Trustee is furnished with the report specified in Section 6.17(a)(3) to the effect that such eminent domain proceedings have not materially affected the operation of the Leased Property or, even if they have, that such proceedings have not materially affected the ability of the Authority to meet any of its obligations hereunder, and if such report states that such proceeds are needed for repair or rehabilitation of the Leased Property, the Trustee shall pay to the Authority, or to its order, from said proceeds such amounts as the Authority may expend for such repair or rehabilitation, upon the filing with the Trustee of Requisitions of the Authority specifying the amount to be disbursed and certifying that such amounts have been or will be used to repair or rehabilitate the Leased Property.

(3) The Trustee shall be provided, at the expense of the Authority, the report of an engineer or other appropriate professional, who may be an employee of the City, regarding the extent of such eminent domain proceedings and its effect on the ability of the Authority to meet its obligations under this Indenture and whether the proceeds from the eminent domain proceedings are needed for the repair or rehabilitation of the Leased Property.

(b) If less than all of the Leased Property shall have been taken in such eminent domain proceedings, and if the Trustee is furnished a report of an independent

engineer concluding that such eminent domain proceedings have materially affected the operation of the Leased Property or the ability of the Authority to meet any of its obligations hereunder, the Trustee shall apply such proceeds to the redemption of Bonds in the manner provided in Article IV, but only upon the receipt by the Trustee of a Request of the Authority directing such redemption.

(c) If all of the Leased Property shall have been taken in such eminent domain proceedings and if such proceeds, together with any other moneys then available to the Trustee for the purpose, are sufficient to provide for the payment of the entire amount of principal then due or to become due upon the Bonds, together with the interest thereon, so as to enable the Authority to retire all of the Bonds then Outstanding by redemption or by payment at maturity, then the Trustee shall apply such proceeds to the payment of such interest and to such retirement, but only upon the receipt by the Trustee of a Request of the Authority directing such redemption. Alternatively, if the Authority determines that such amounts are insufficient to provide moneys for the purposes specified in the preceding sentence, then the Trustee shall apply such proceeds in accordance with the provisions of Section 7.02 to the extent that the same may be applicable.

(d) After all of the Bonds have been retired and the entire amount of principal due or to become due upon the Bonds, together with the interest thereon, has been paid in full, and all other sums required to be paid hereunder by the Authority have been paid in full, the Trustee shall pay the remainder of such proceeds to the City and the Authority in accordance with their respective interests pursuant to a Certificate of the Authority.

(e) This Section 6.17 shall not apply to the proceeds of the taking by eminent domain proceedings (or the sale to a government threatening to exercise the power of eminent domain) of the Leased Property if the City has established Substitute Leased Property in place of the Leased Property that was taken by eminent domain (or sold to a government threatening to exercise the power of eminent domain) and, in such event, the Trustee shall pay all of such proceeds to the City.

**SECTION 6.18. Validity of Bonds.** The recital contained in the Bonds that the same are regularly issued pursuant to the Law shall be conclusive evidence of their validity and of compliance with the provisions of the Law in their issuance.

**SECTION 6.19. Further Assurances.** Whenever and so often as so requested by the Trustee, the Authority will execute and deliver or cause to be executed and delivered promptly all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Bondowners all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture.

**SECTION 6.20. Tax Covenants.**

(a) The Authority will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2024 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2024 Bonds would have caused the 2024 Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

(b) The Authority shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the 2024 Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

(c) The Authority shall assure that the proceeds of the 2024 Bonds are not so used as to cause the 2024 Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(d) The Authority shall take all actions necessary to assure the exclusion of interest on the 2024 Bonds from the gross income of the Owners of the 2024 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2024 Bonds.

(e) In the event that at any time the Authority is of the opinion that for purposes of this Section 6.20 it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Authority shall so instruct the Trustee under this Indenture by written notice containing instructions as to the yield or yields to which such investments must be restricted. The Trustee shall take such action as may be necessary in accordance with such instructions.

(f) Notwithstanding any provisions of this Section 6.20 if the Authority shall provide to the Trustee an Opinion of Bond Counsel that any specified action required under this Section 6.20 is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest with respect to the 2024 Bonds, the Trustee and the Authority may conclusively rely on such opinion in complying with the requirements of this section, and, notwithstanding Article IX hereof, the covenants hereunder shall be deemed to be modified to that extent.

(g) The Authority shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2024 Bonds.

(h) The Authority will retain its records of all accounting and monitoring it carries out with respect to the 2024 Bonds for at least three years after the 2024 Bonds mature or are redeemed (whichever is earlier); however, if the 2024 Bonds are redeemed and refunded, the Authority will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the 2024 Bonds.

(i) The Authority will comply with the provisions of the Tax Certificate with respect to the 2024 Bonds. The covenants of this Section will survive payment in full or defeasance of the Bonds.

**SECTION 6.21. Provisions Relating to Bond Insurance.** Notwithstanding anything to the contrary contained in this Indenture, the provisions of Exhibit B shall govern with regard to the Bond Insurance Policy and the rights of the Bond Insurer under this Indenture. Such provisions are hereby incorporated by reference into this Indenture as if set forth directly herein.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

**SECTION 7.01. Events of Default and Acceleration of Maturities.** The following shall each be an “event of default” under this Indenture:

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

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

(c) if there shall be a default under the Property Lease by reason of failure by the City to pay any rental under the Property Lease relating to or in connection with the Leased Property as and when the same becomes due and payable;

(d) 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, and such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee or by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding, provided that such thirty (30) day period shall be extended to sixty (60) days in the event the Authority is not able to cure such default within a thirty (30) day period but commenced a good faith effort to cure immediately upon receipt of notice as described above; or

(e) if, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within sixty (60) days from the date of assumption of such custody or control;

If one or more such events of default shall occur, then, and in each and every such case during the continuance of such event of default, the Trustee may, and shall, at the direction of the Owners of a majority in aggregate principal amount of the Bonds Outstanding, by written notice to the Authority, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable without further action, anything in this Indenture or the Bonds to the contrary notwithstanding.

The foregoing provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, the Authority shall pay to or shall deposit with the Trustee a sum sufficient to pay all principal of the Bonds maturing prior to such declaration and all matured installments of interest (if any) upon all the Bonds, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee, on behalf of the Owners of



all of the Bonds, shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon; provided, however, that no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair or exhaust any right or power consequent thereon.

In addition to declaring the principal of all of the Bonds, and the interest accrued thereon, to be immediately due and payable as set forth above, the Trustee shall have the right to pursue any other remedy provided by law or in equity or otherwise after an Event of Default has occurred.

**SECTION 7.02. Application of Funds Upon Acceleration.** All of the Revenues and all sums in the Revenue Fund upon the date of the declaration of acceleration, as provided in Section 7.01 and all sums thereafter received by the Trustee hereunder shall be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

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

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, with interest, to the extent permitted by law, on the overdue principal and installments of interest at the rate equal to the rate per annum on such Bonds (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then, and in compliance with the final sentence of Section 5.01 to the extent possible, to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Third, to the payment of fees, costs and expenses (including fees, costs and disbursements of its counsel) of the Bondowners related to such event of default.

**SECTION 7.03. Trustee to Represent Bondowners.** The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and owning 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 such Owners under the provisions of the Bonds, this Indenture, the Property Lease, the 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 Owners of the Bonds, the Trustee may, and upon the written request of the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effective 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 or in such Owners under this Indenture, the Property Lease, the Law or any other law. All rights of action under this

Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

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

**SECTION 7.04. Bondowners' Direction of Proceedings.** The Owners of at least fifty percent (50%) in aggregate principal amount of Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, 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 Bondowners not parties to such direction.

**SECTION 7.05. Limitation on Bondowners' Right to Sue.** No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Property Lease, the Law or any other applicable law with respect to such Bond, unless (1) such Owner shall have given to the Trustee written notice of the occurrence of an event of default; (2) the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) 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 no one or more Owner of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under this Indenture, the Property Lease, the Law or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at 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 7.06. Non-waiver.** Nothing in this Article VII or in any other provision of this Indenture, or in the Bonds, shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest (and premium, if any) on the Bonds to the respective Owners of the Bonds at the respective dates of maturity, or upon call for redemption, as herein provided, out of the Revenues herein pledged for such payments 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. No delay or omission of the Trustee or of any Bondowner to exercise any right or power arising upon the happening of any event of default shall impair any such right or power or shall be construed to be a waiver of any such event of default or an acquiescence therein, and every power and remedy given by this Article VII to the Trustee or to the Owners of Bonds may be exercised from time to time and as often as shall be deemed expedient.

**SECTION 7.07. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Trustee or to the Owners of Bonds is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

## ARTICLE VIII

### THE TRUSTEE

#### **SECTION 8.01. Trustee; Acceptance; Removal; Resignation.**

(a) The Trustee accepts and agrees to perform its duties, and only such duties and obligations specifically imposed upon it by this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. After the occurrence of an Event of Default, in performing its duties hereunder, the Trustee shall exercise such rights and powers vested in it by this Indenture and use the same degree of care that a reasonable person would exercise in the conduct of his or her affairs.

(b) The Authority agrees that it will maintain a Trustee located in or incorporated under the laws of the State of California, duly authorized to exercise trust powers and subject to supervision or examination by federal or state authority, with a combined capital and surplus, together with its parent bank holding company and other subsidiaries of at least Seventy-Five Million Dollars (\$75,000,000), so long as any Bonds are Outstanding. If such bank, national banking association or trust company or parent bank holding company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of this section the combined capital and surplus of such bank, national banking association or trust company or parent bank holding company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(c) The Trustee is hereby authorized to redeem the Bonds when duly presented for payment at maturity, or on redemption, or on purchase by the Trustee prior to maturity, and to cancel all Bonds upon payment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Bonds paid and discharged. All moneys deposited under the provisions of this Indenture with the Trustee shall be held in trust and applied only in accordance with the provisions of this Indenture.

(d) The Authority, unless the Authority is in default hereunder, may remove the Trustee initially appointed, and any successor thereto, and may appoint a bank or trust company meeting the requirements in this Section 8.01 set forth above as successor thereto. The Trustee shall also be removed at any time at the request of the Owners of the majority of aggregate principal amount of Bonds then Outstanding, for any breach of fiduciary duty arising in connection with this Indenture.

(e) The Trustee may at any time resign by giving prior written notice to the Authority. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by a successor Trustee acceptable to the Authority. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bondowner (on behalf of himself and all other Bondowners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, at the expense of the Authority or the Bondowner, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such appointment by executing and delivering to the

Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and 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, power trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall give notice of the succession of such Trustee to the trusts hereunder to the City and by mail to the Bondowners at the addresses shown on the registration books maintained by the Trustee. 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.

(f) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 8.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

#### **SECTION 8.02. Liability of Trustee.**

(a) The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the Authority, and the Trustee does not assume any responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Property Lease or of the Bonds, nor shall the Trustee incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it.

(b) 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, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(c) No provision of this Trust Indenture, the Property Lease or any other document related hereto shall require the Trustee to risk or advance its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its rights hereunder.

(d) The Trustee may refuse to perform any duty or exercise any right or power which would require it to expend its own funds or risk any liability if it shall reasonably believe that repayment of such funds or adequate indemnity against such risk is not reasonably assured to it.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Bondowners in connection with a default or Event of Default hereunder pursuant to this Indenture, unless such Bondowners shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(e) The indemnities and releases extended to the Trustee hereunder also extend to its directors, officers, employees and agents. In acting or omitting to act pursuant to the Indenture, or any other documents executed in connection herewith, the Trustee shall be entitled to all the rights, immunities and indemnities accorded to it under this Indenture.

(f) The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of a majority (or other percentage provided for herein) in aggregate principal amount of Bonds outstanding relating to the exercise of any right, power or remedy available to the Trustee, except to the extent of its own negligence or willful misconduct.

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

(h) The Trustee may execute any of the trusts or powers hereof and perform any of its duties either directly or by or through attorneys, agents, custodian and nominees appointed with due care and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

(i) The Trustee may become the owner or pledgee of any Bonds with the same rights it would have if it were not Trustee.

(j) The Trustee shall not be considered in breach of or in default in 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 the 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 the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(k) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and related financing documents and delivered using Electronic Means; provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority, whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Authority understands and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee

have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority, and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

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

(m) The Trustee shall not be deemed to have knowledge of any Event of Default (other than an Event of Default described in Section 7.01(a) or 7.01(b) unless and until the Trustee has received written notice of such an Event of Default at its Corporate Trust Office.

**SECTION 8.03. Security for Deposits.** Moneys allocated to any of the funds established pursuant to this Indenture may, and upon the Request of the Authority, shall be deposited by the Trustee in banks, including the Trustee, in time or demand deposits. Money so deposited shall be secured at all times, in the manner provided by law by direct obligations of the United States of America, obligations the principal of and interest on which are guaranteed by the United States of America, or bonds of the State of California or any local jurisdiction within California, with a market value at least equal to the amount required by law, but in no event less than the amount of moneys in each of said funds to be so secured.

#### **SECTION 8.04. Investment of Moneys in Funds.**

(a) Any moneys in any of the funds established by the Trustee pursuant to this Indenture, upon the Request of the Authority (at the written direction of the City), shall be invested in Permitted Investments (subject in each case to the limitations as to maturities hereinafter in this section set forth). In no event shall the Trustee be liable for the selection of investments or for investment losses incurred thereon. The Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Authority to provide timely written investment direction. Ratings of permitted investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. The Trustee shall notify the City not less than two (2) Business Days prior to the date moneys held hereunder will be available for investment requesting that the City cause the Authority to deliver to the Trustee a Request of the Authority specifying the Permitted Investments to be acquired by the Trustee with such moneys. If no specific money market fund has been specified by the City, the Trustee shall make a request to the City for investment directions. Such moneys shall be held in cash, uninvested, until specific investment directions are provided by the City to the Trustee. In the absence of investment instructions from the Authority, the Trustee shall

hold the moneys held by it hereunder uninvested. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including account maintenance fees. The Authority, in issuing such Request, shall comply with the restrictions and instructions set forth in the Tax Certificate.

(b) Moneys in the Interest Fund (including a Capitalized Interest Account) and the Principal Fund may be invested in obligations that will, as nearly as practicable, mature on or before the respective Interest Payment Dates or Principal Payment Dates on which such moneys will be needed for the payment of interest or the retirement of Bonds.

(c) The Trustee may sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment, and the Trustee shall not be liable or responsible for any loss resulting from such sale or redemption.

(d) Any interest, profit or other income on such investment of moneys in the funds or accounts created hereunder shall be deposited when received in the Revenue Fund. Any such interest, profit or other income on amounts on deposit in the Acquisition Fund shall be retained therein unless the Trustee is otherwise directed by the Authority or the City to deposit it in the Revenue Fund.

(e) Any Permitted Investment that is registrable shall be registered in the name of the Trustee for the benefit of the Owners and held by the Trustee.

(f) The Trustee shall furnish the Authority and City periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the Authority's or City's election, such party's 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 and the City (by its execution of the Property Lease) further understand that trade confirmations for securities transactions effected by the Trustee will be available upon written request and at no additional cost and other trade confirmations may be obtained from the applicable broker. Although the Authority recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Authority agrees that confirmations of permitted investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered and that no statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

(g) The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder. The Trustee or an affiliate may act as principal or agent in the acquisition or disposition of any Permitted Investment and shall be entitled to its customary fee therefor. For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

(h) The moneys on deposit in the funds and accounts established under this Indenture shall not be deemed "surplus" under Section 53601 of the Government Code.

(i) 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 by the Authority



(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 applicable provisions of the Code shall be valued by the Authority at their present value (within the meaning of section 148 of the Code). The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow: (i) its normal practices in the purchase, sale and determining the value of Permitted Investments; and (ii) the investment directions of the Authority.

#### **SECTION 8.05. Notice; Acceptance of Trusts.**

(a) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any notice, resolution, requisition, request, consent, order, certificate, report, Bond, statement, electronic mail or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel to the Authority, with regard to legal questions, and the advice or any 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.

(b) 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 satisfactorily established, if disputed.

(c) Whenever 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, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Authority, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

(d) The Trustee shall not be deemed to have notice of an event of default unless it has actual notice thereof at its Corporate Trust Office.

**SECTION 8.06. Compensation and Indemnification of Trustee.** The Authority covenants to pay to the Trustee from time to time, and the Trustee shall be entitled to, compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, as set forth in an agreement between the Authority and the Trustee, and the Authority will pay or reimburse the Trustee upon its request, in accordance with such fee letter as may be in effect, for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or willful misconduct.

When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Upon an Event of Default, and only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of and premium, if any, and interest on any Bond, upon the Trust Estate for the foregoing fees, charges and expenses incurred by it.

The Authority, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee against any loss, damages, claim, liability or expense incurred without negligence or willful misconduct on the part of the Trustee, arising out of or in connection with the acceptance or administration of the trusts created hereby, including reasonable costs and expenses (including attorneys' fees) of defending itself against any claim (whether asserted by the Authority or any holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, or in connection with enforcing the provisions of this Section or under the Property Lease. The rights of the Trustee and the obligations of the Authority under this Section 8.06 shall survive the discharge of the Bonds and this Indenture and the resignation or removal of the Trustee.

If the Trustee renders any service hereunder not provided for in this Indenture or related financing documents, or the Trustee is made a party to or intervenes in any litigation pertaining to this Indenture or related financing documents or institutes interpleader proceedings relative hereto, the Trustee shall be compensated reasonably by the Authority for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out-of-pocket and incidental expenses and legal fees and expenses occasioned thereby.

## ARTICLE IX

### MODIFICATION OR AMENDMENT OF THE INDENTURE

**SECTION 9.01. Amendments Permitted.** This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time by a supplement or amendment hereto which shall become effective when the written consents of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.02, have been received. No such supplement or amendment shall (1) extend the fixed maturity of any Bonds or reduce the interest rate thereon or extend the time of payment of interest, or reduce the amount of principal thereof or reduce any premium payable upon the redemption thereof, without the express consent of the Owner of such Bond, or (2) reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of this Indenture, or (3) modify any of the rights or obligations of the Trustee without the written assent thereto by the Trustee.

This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may also be modified or amended at any time, without the consent of any Bondowners, but only to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Authority which in either case shall not adversely affect the interests of the Owners of the Bonds;

(b) to cure, correct or supplement any ambiguous or defective provision contained in this Indenture or in regard to questions arising under this Indenture, as the Authority may deem necessary or desirable and not inconsistent with this Indenture, and which shall not adversely affect the interests of the Owners of the Bonds;

(c) 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, and which shall not materially adversely affect the interests of the Owners of the Bonds;

(d) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the 2024 Bonds;

(e) to maintain a rating on the Bonds;

(f) to modify any of the provisions of this Indenture in any other respect, provided that such modifications shall not have a material adverse effect on the interests of the Owners of the Bonds; or

(g) to provide for the issuance of Additional Bonds pursuant to Section 2.14 hereof.

The Authority shall deliver or cause to be delivered a draft of any Supplemental Indenture to each rating agency which then maintains a rating on the Bonds, at least 10 days prior to the effective date of such Supplemental Indenture under this Section 9.01.

Prior to the Trustee entering into any Supplemental Indenture hereunder, the Authority shall deliver to the Trustee, an Opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of this Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion from gross income for purposes of federal income taxes of interest on the Bonds.

**SECTION 9.02. Disqualified Bonds.** Bonds owned or held by or for the account of the Authority or the City or by an obligor on the Bonds, or by any person directly or indirectly controlled or controlled by, or under direct or indirect common control with the Authority or the City (except any Bonds held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Bonds provided for in this Indenture, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Indenture. Upon request of the Trustee, the Authority and the City shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

**SECTION 9.03. Effect of Supplement or Amendment.** From and after the time any supplement or amendment to the Indenture becomes effective pursuant to this Article this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Indenture of the Authority 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 supplement or amendment shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

**SECTION 9.04. Endorsement or Replacement of Bonds Issued After Amendments.** The Authority may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the Authority, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of this Bond for the purpose at the office of the Authority or at such other office as the Authority may select and designate for that purpose, a suitable notation shall be made on such Bond. The Authority may determine that new Bonds so modified as in the opinion of the Authority necessary to conform to such Bondowners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bond then Outstanding, such new Bond shall be exchanged in the Principal Corporate Trust Office of the Trustee, without cost to such Owner and at the expense of the Authority, for a Bond of the same character then outstanding, upon surrender of such Bond.

**SECTION 9.05. Amendatory Endorsement of Bonds.** The provisions of this Article shall not prevent any Bondowner from accepting any amendment as to the particular Bonds held by him, provided that due notification thereof is made on such Bonds.

**SECTION 9.06. Notice to Rating Agencies.** Copies of any amendments or supplements to this Indenture or the Property Lease shall be sent to the rating agencies that (to the knowledge of the Authority) have assigned a rating to the 2024 Bonds.

## ARTICLE X

### DEFEASANCE

**SECTION 10.01. Discharge of Indenture.** If the Authority shall pay and discharge the entire indebtedness on all Bonds Outstanding in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of (including redemption premiums, if any) and interest on all Bonds Outstanding, as and when the same become due and payable;

(b) by depositing with the Trustee, or with an independent escrow agent for the benefit of the Trustee, in trust, at or before maturity, money in the necessary amount to pay or redeem all Bonds Outstanding;

(c) by delivering to the Trustee, for cancellation by it, all Bonds Outstanding;  
or

(d) by depositing with the Trustee, or with an independent escrow agent for the benefit of the Trustee, in trust and pursuant to an escrow agreement, Defeasance Obligations not subject to call prior to the date they would be used to pay the Bonds hereunder in such amount as will, together with the income or increment to accrue thereon, be fully sufficient, in the opinion of an independent certified public accountant, to pay and discharge the indebtedness on all Bonds at or before their respective maturity dates, and by delivering an Opinion of Bond Counsel stating that the conditions set forth in this Section 10.01 have been met and that, assuming the sufficiency of the amounts deposited for such purposes, the pledge of the Revenues provided for in this Indenture and all other obligations of the Authority under this Indenture shall cease and terminate, except as otherwise provided in Sections 6.20, 8.06 and 10.04 hereof and except for the obligation of the Authority to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon;

and if the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority including, without limitation, all fees and expenses of the Trustee due hereunder, including reasonable attorneys' fees, then and in that case, at the election of the Authority (evidenced by a Certificate of the Authority signifying its intention to pay and discharge all such indebtedness and that this Indenture and all other obligations of the Authority under this Indenture shall cease and terminate, which shall be filed with the Trustee), and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Revenues provided for in this Indenture and all other obligations of the Authority under this Indenture shall cease and terminate, except as otherwise provided in Sections 6.20, 8.06 and 10.04 hereof and except for the obligation of the Authority to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon out of the money or Government Obligations deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Sections 10.03 and 10.04 hereof. The discharge of the obligations of the Authority under this Indenture shall be without prejudice to the rights of the Trustee to charge for and be reimbursed by the Authority for any expenditures which it may thereafter incur in connection herewith.

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 10.02. Discharge of Liability on Bonds.** Upon the deposit with the Trustee, in trust, at or before maturity, of money or Government Obligations in the necessary amount to pay or redeem Outstanding Bonds (whether upon or prior to their maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provisions satisfactory to the Trustee shall have been made for the giving of such notice, 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 the money or Government Obligations deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Sections 10.03 and 10.04 hereof.

**SECTION 10.03. Payment of Bonds After Discharge of Indenture.** Notwithstanding any provisions of this Indenture, any moneys deposited with the Trustee in trust for the payment of the principal of, or interest or premium on, any Bonds and remaining unclaimed for two (2) years after the principal of all the Outstanding Bonds has become due and payable (whether at maturity or upon call for redemption or by declaration as provided in this Indenture) shall then be repaid to the Authority and the Owners of such Bonds shall thereafter be entitled to look only to the Authority for payment thereof, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee may cause to be mailed to the registered Owners of such Bonds at their addresses as they appear on the registration books of the Trustee, a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof. Any money held by the Trustee pursuant to this paragraph shall be held uninvested and without any liability for interest. In the event of the repayment of any such moneys to the Authority as aforesaid, the Owners of the Bonds in respect of which such moneys were deposited shall thereafter be deemed to be general creditors of the Authority for amounts equivalent to the respective amounts deposited for the payment of such Bonds and so repaid to the Authority (without interest thereon).

**SECTION 10.04. Amounts Remaining in Funds and Accounts.** Notwithstanding any other provision of this Indenture, it is agreed by the parties hereto that after payment in full of (i) the Bonds, or after provision for such payment shall have been made as provided in the Indenture, (ii) the fees, charges and expenses of the Trustee in accordance with the Indenture and (iii) all other amounts required to be paid under the Indenture, any amounts remaining in any fund or account held by the Trustee under the Indenture (other than amounts required to pay rebate to the federal government) shall belong to the City, and shall be paid to the City by the Trustee.

## ARTICLE XI

### MISCELLANEOUS

**SECTION 11.01. Liability of Authority Limited to Revenues.** The Authority shall not be required to take any action not expressly provided for herein and its obligation with respect to the Bonds shall be limited as described herein. Notwithstanding anything in this Indenture, the Authority shall not be required to pay or advance any moneys derived from any source other than the Revenues for the payment of the principal of or interest (and premium, if any) on the Bonds, for the maintenance and operation of the Leased Property, or for any other purpose of this Indenture. Nevertheless, the Authority may advance, but shall not be required under any circumstances whatsoever, for any of the purposes hereof, any funds of the Authority which may be made available to it for such purposes.

The Bonds are special obligations of the Authority and are payable, as to interest thereon and principal thereof, exclusively from Revenues, and the Authority is not obligated to pay them except from Revenues. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and the principal of the Bonds, to the extent set forth in this Indenture. The Bonds are not a debt of the Agency, the City, the State of California or any of its political subdivisions, and neither said City, said State nor any of its political subdivisions is liable therefor, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Authority pledged therefor provided in this Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

**SECTION 11.02. Successor Is Deemed Included in All References to Predecessor.** Whenever in this Indenture or any Supplemental 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 Bondowners.** 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, and the Owners of the Bonds issued hereunder, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition, stipulation or provisions herein or herein contained; and all such covenants, conditions, stipulations and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, and the Owners of the Bonds issued hereunder.

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

**SECTION 11.05. Destruction of Bonds.** Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee shall destroy such Bonds, and deliver a certificate of such destruction to the Authority.

**SECTION 11.06. Severability of Invalid Provisions.** In case 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 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 adopted this Indenture and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee or any successor Trustee is rendered unable to perform its duties hereunder, and if no successor Trustee be then appointed, all such duties and all of the rights and powers of the Trustee hereunder shall be assumed by and vest with the Authority in trust for the benefit of the Bondowners.

#### **SECTION 11.07. Notices.**

(a) All notices or communications to be given 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 at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (i) upon transmission by Electronic Means or other form of telecommunication, (ii) 48 hours after deposit in the United States mail, postage prepaid, or (iii) in the case of personal delivery to any person, upon actual receipt. The Authority, the City 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 City or the Authority:      9700 Seventh Ave.  
Carson, CA 92345  
Attn: City Manager

If to the Trustee:                      The Bank of New York Mellon Trust Company, N.A.  
633 West Fifth Street, 24<sup>th</sup>  
Los Angeles, CA 90071  
Attention: Global Corporate Trust  
Email: ismael.diaz@usbank.com

**SECTION 11.08. Article and Section Headings.** The headings or titles of the several Articles and Sections hereof, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words “herein,” “hereof,” “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 11.09. Third-Party Beneficiary.** To the extent that this Indenture confers upon or gives or grants to the City any right, remedy or claim under or by reason of this Indenture, the City is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right or remedy or claim conferred, given or granted hereunder.

**SECTION 11.10. Funds and Accounts.** Any fund required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund



or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with corporate trust industry practices and with due regard for the protection of the security of the Bonds and the rights of every Owner thereof.

**SECTION 11.11. 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 interest on the Bonds or for anything else contained in this Indenture; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

**SECTION 11.12. Governing Law.** This Indenture shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of laws principles thereof.

**SECTION 11.13. Counterparts.** This Indenture may be signed in several counterparts, each of which will constitute an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed by their officers duly authorized as of the date first above written.

**CARSON PUBLIC FINANCING AUTHORITY**

Attest

By: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Chief Administrative Officer

**THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee**

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

**EXHIBIT A**

**[FORM OF 2024 Bond]**

No. R-\_\_

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

**CARSON PUBLIC FINANCING AUTHORITY  
2024 REFUNDING LEASE REVENUE BOND**

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>CUSIP</u>
June 1, ____		____, 2024	

**Registered Owner:** CEDE & CO.

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

CARSON PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under and pursuant to the laws of the State of California (herein called the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter mentioned) the registered owner specified above, or registered assigns, on the Maturity Date specified above (subject to any right of prior redemption hereinafter mentioned) the Principal Amount specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is authenticated as of an interest payment date, in which event it shall bear interest from the date of authentication hereof, or unless this Bond is authenticated after a record date and before an interest payment date, in which event it shall bear interest from the next succeeding interest payment date, or unless this Bond is authenticated on or prior to November 15, 2024, in which event it shall bear interest from the date hereof) until payment of such Principal Amount in full as provided in the Indenture hereinafter mentioned, at the rate of interest specified above, payable semiannually on December 1 and June 1 in each year, commencing December 1, 2024, by check mailed on the applicable interest payment date to such registered owner; provided that upon the written request of any owner of at least \$1,000,000 in aggregate principal amount of Bonds, such payment shall be made by wire transfer in immediately available funds to an account within the continental limits of the United States designated by such owner. The principal (or redemption price) hereof is payable at the Corporate Trust Office (as defined in the Indenture hereinafter mentioned) of The Bank of New York Mellon Trust Company, N.A. (herein called the "Trustee").

This Bond is one of a duly authorized issue of Bonds of the Authority designated as the Carson Public Financing Authority 2024 Lease Revenue Bonds (herein called the "Bonds"), of an initial aggregate principal amount of \$\_\_\_\_\_, issued pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (herein called the "Law"), and pursuant to an Indenture, dated as of August 1, 2024, by and between the Authority and the Trustee (herein called the "Indenture"), authorizing the issuance of the Bonds.

Reference is hereby made to the Indenture (a copy of which is on file at said office of the Trustee) and all Indentures supplemental thereto and to the Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues,

as that term is defined in the Indenture, and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees.

The proceeds of the Bonds will be used by the Authority for the purposes and on the terms and conditions set forth in the Indenture and in the Property Lease, dated as of August 1, 2024, by and between the Authority, as lessor, and the City of Carson (the "City"), as lessee (the "Property Lease"). This Bond and the interest hereon and all other Bonds and the interest thereon (to the extent set forth in the Indenture) are payable from, and are secured by a pledge and assignment of, the Revenues derived from a portion of the amounts payable by the City under the Property Lease. Except to the extent set forth in the Indenture, all such Revenues are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, and for the security and payment of interest on the Bonds; but nevertheless, in accordance with the Indenture, out of Revenues certain amounts may be applied for other purposes as provided in the Indenture. As and to the extent set forth in the Indenture, all of the Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the Bonds and any Additional Bonds, which may be issued only in accordance with the terms of the Indenture.

The Bonds are special obligations of the Authority, payable solely from and secured by a pledge of the aforementioned Revenues as specified herein and in the Indenture. Neither the payment of the principal of the Bonds, nor any interest thereon, constitutes a debt, liability or obligation of the City, the Authority or the State of California. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The rights and obligations of the Authority and the holders of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (1) extend the fixed maturity of this Bond or reduce the rate of interest hereon or extend the time of payment of interest, or reduce the amount of the principal hereof or reduce any premium payable upon the redemption hereof, without the consent of the holder hereof, or (2) reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification, all as more fully set forth in the Indenture.

The Bonds are subject to redemption on any date without premium under the circumstances prescribed and as provided in the Indenture, as a whole or in part, through the application of proceeds of insurance and eminent domain proceedings.

The Bonds are not subject to optional redemption prior to maturity.

As provided in the Indenture, notice of redemption shall be mailed, by first class mail, not less than 20 nor more than 60 days prior to the redemption date, to the registered owner of Bonds designated for redemption, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption. The Authority shall have the right in certain instances to issue a conditional redemption notice, and to rescind notices of redemption as provided in the Indenture.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an event of default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Bonds are issuable only as fully registered Bonds without coupons in the denomination of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of fully registered Bonds of any other authorized denominations subject to the conditions and restrictions contained in the Indenture.

This Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds without coupons of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

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

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

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

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

IN WITNESS WHEREOF, the Carson Public Financing Authority has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chief Administrative Officer and attested to by the facsimile signature of its Assistant Secretary, all as of the Original Issue Date specified above.

CARSON PUBLIC FINANCING  
AUTHORITY

By \_\_\_\_\_  
Chief Administrative Officer

Attest:

\_\_\_\_\_  
Assistant Secretary

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

This is one of the Bonds described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee

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

DATED: \_\_\_\_\_

**ABBREVIATIONS**

The following abbreviations, when used in the inscription on the face of this Bond shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM--as tenants in common

TEN ENT--as tenants by the entireties

JT TEN--as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT-- \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)  
under Uniform Gifts to Minors Act \_\_\_\_\_  
(State)

**ADDITIONAL ABBREVIATIONS MAY ALSO BE USED  
THOUGH NOT IN THE LIST ABOVE**

**[FORM OF ASSIGNMENT]**

For value received the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and hereby irrevocably constitute(s) and appoints(s)

\_\_\_\_\_  
attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

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

Signature Guaranteed:

\_\_\_\_\_

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

\_\_\_\_\_

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



## STATEMENT OF INSURANCE

**EXHIBIT B**  
**PROVISIONS RELATING TO BOND INSURANCE POLICY**

EXHIBIT C

FORM OF IMPROVEMENT FUND REQUISITION

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REQUISITION NO. \_\_ (to be numbered sequentially)

with reference to

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

Carson Public Financing Authority  
2024 Lease Revenue Bonds

I. The Carson Public Financing Authority (the "Authority") hereby requests The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), pursuant to that certain Indenture, dated as of August 1, 2024 (the "Indenture"), by and between the Authority and the Trustee, under the terms of which the Authority has issued its Lease Revenue Bonds, to pay from the moneys in the Improvement Fund established pursuant to the Indenture, the amounts shown on Schedule I attached hereto to the parties indicated in Schedule I.

II. The payees, the purposes for which the costs have been incurred, and the amount of the disbursements requested are itemized on Schedule I hereto.

III. Each obligation mentioned in Schedule I hereto has been properly incurred and is a proper charge against the Improvement Fund. None of the items for which payment is requested has been reimbursed previously from the Improvement Fund, and has not previously been the subject of a written request of the Authority against the Improvement Fund.

IV. There has not been filed with or served upon the City or the Authority a stop notice or any other notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the money payable to the person[s] named on Schedule I hereto which has not been released or will not be released simultaneously with the payment of such obligation, other than liens accruing by mere operation of law.

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

CARSON PUBLIC FINANCING  
AUTHORITY

By \_\_\_\_\_  
Title: \_\_\_\_\_

