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**TRUST AGREEMENT**

**Dated as of June 1, 2011**

**by and among**

**CITY OF OXNARD FINANCING AUTHORITY**

**and**

**CITY OF OXNARD**

**and**

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**

**as Trustee**

**Relating to**

**[\$[PRINCIPAL AMOUNT]  
City of Oxnard Financing Authority  
Lease Revenue Refunding Bonds, Series 2011**

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## TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of June 1, 2011 (this "Trust Agreement"), is by and among the CITY OF OXNARD, a municipal corporation organized and existing under the Constitution and laws of the State of California (the "City"), the CITY OF OXNARD FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association existing under the laws of the United States of America, as trustee (the "Trustee");

### WITNESSETH:

**WHEREAS**, the Authority is a joint exercise of powers authority organized and existing pursuant to Articles 1 and 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California to provide financial assistance to the City and has the authority to issue bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (i.e., Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California) (the "Act"); and

**WHEREAS**, the Authority issued, pursuant to a Trust Agreement, dated as of August 1, 2009 (the "2009 Trust Agreement"), by and among the City, the Authority, and Wells Fargo Bank, National Association, as trustee, \$20,005,000 in aggregate principal amount of City of Oxnard Financing Authority Bond Anticipation Notes, Series 2009 (the "2009 Notes"), to finance the purchase by the City of approximately 14 acres of land at the northwest corner of Ventura Road and Vineyard Avenue adjacent to the City's River Ridge Golf Club to be used by the City for public recreational area purposes, as more particularly described in the 2009 Trust Agreement (the "2009 Project"); and

**WHEREAS**, the Authority issued, pursuant to a Trust Agreement, dated as of June 1, 2010 (the "2010 Trust Agreement"), by and among the City, the Authority, and Wells Fargo Bank, National Association, as trustee (the "2010 Trustee"), \$20,520,000 in aggregate principal amount of City of Oxnard Financing Authority Bond Anticipation Notes, Series 2010 (the "2010 Notes"), all of which are currently outstanding, to provide the Take-Out Moneys (as defined in the 2009 Trust Agreement) to pay the principal of and interest on the 2009 Notes at maturity in accordance with the terms of the 2009 Trust Agreement; and

**WHEREAS**, the Authority has determined to provide under this Trust Agreement and the Act for the issuance of its City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2011 (the "Bonds"), the proceeds of which will be used to finance the costs to (i) to provide the Take-Out Moneys (as defined in the 2010 Trust Agreement) to pay the principal of and interest on the 2010 Notes at maturity in accordance with the terms of the 2010 Trust Agreement, (ii) provide for the reserve fund with respect to the Bonds, and (iii) pay costs incurred in connection with the issuance, sale, and delivery of the Bonds; and

**WHEREAS**, the City will lease to the Authority, pursuant to that certain Property Lease, dated as of June 1, 2011 (the "**Property Lease**"), by and between the City, as lessor, and the Authority, as lessee, all the Components comprising the Property, the legal descriptions of which Components are described in Exhibit A thereto; and

**WHEREAS**, the Bonds will be secured by the payments to be made by the City pursuant to that certain Master Lease and Option to Purchase, dated as of June 1, 2011 (the "**Lease**"), by and between the Authority, as lessor, and the City, as lessee, pursuant to which the City will lease from the Authority all the Components comprising the Property, the legal descriptions of which Components are described in Exhibit A thereto; and

**WHEREAS**, the Authority desires to assign certain of its right, title, and interest in and to the Lease, including the right to receive certain rental payments due thereunder (the "**Base Rental**"), to the Trustee on the terms and conditions set forth herein for the benefit of the Owners of the Bonds; and

**WHEREAS**, the Base Rental to be paid by the City for the lease of the Property will be sufficient to provide the amount necessary to pay the principal of and the interest on the Bonds of the Authority; and

**WHEREAS**, the Trustee has accepted the trust created and established by this Trust Agreement and in evidence thereof has joined in the execution hereof; and

**WHEREAS**, each of the City and the Authority is authorized to enter into this Trust Agreement pursuant to the laws of the State of California; and

**WHEREAS**, the City and the Authority have determined that all acts, conditions, and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and entering into of this Trust Agreement do exist, have happened, and have been performed in due time, form, and manner as required by law, and the parties here are duly authorized to execute and enter into this Trust Agreement;

**NOW, THEREFORE**, in consideration of the premises, of the acceptance by the Trustee of its duties hereby imposed, and of the purchase and acceptance of the Bonds by the Owners thereof, the receipt and adequacy of which are hereby acknowledged, and to fix and declare the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured, and accepted by all persons who shall from time to time be or become Owners thereof, and to secure the payment of all of the Bonds at any time issued and Outstanding hereunder and the interest thereon according to their tenor, purport, and effect, and to secure the performance and observance of all of the covenants, agreements, and conditions contained therein, herein, and in the Lease, the Authority by these presents does hereby grant, bargain, sell, release, convey, assign, transfer, and pledge unto the Trustee in the trust hereby created for the benefit of the Owners, all of the Authority's right, title, and interest in and to the Pledged Assets, as hereinafter defined, subject only to the provisions of this Trust Agreement, the Property Lease, and the Lease.

To have and to hold all of the above unto the Trustee and its successors and assigns forever for the equal and ratable benefit of the Owners from time to time of all the Bonds issued and delivered hereunder and Outstanding, without any priority of any one Bond over any other, upon the trusts and subject to the covenants and conditions hereinafter set forth.

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH:

## ARTICLE I

### APPOINTMENT OF TRUSTEE; ASSIGNMENT; DEFINITIONS

**Section 1.01. Appointment of Trustee.** The Trustee is hereby appointed and employed to act solely as set forth herein, to receive, hold, and disburse in accordance with the terms hereof the money to be paid to it, to authenticate and deliver the Bonds, to apply and disburse payments received pursuant to the Lease to the Owners of the Bonds, and to perform certain other functions, all as hereinafter provided. By executing and delivering this Trust Agreement, the Trustee accepts the duties and obligations provided herein and the assignment provided in Section 1.02 hereof, but only upon the terms and conditions herein set forth.

**Section 1.02. Assignment.** The Authority does hereby sell, assign, and transfer to the Trustee, for the benefit of the Owners, all of the Authority's rights, title, and interest in and to the Lease and the Property Lease (excluding the Authority's right to payment of its expenses under Section 3.1(b) of the Lease, its right to indemnification pursuant to Section 11 of the Lease, and its right to receive certain notices under Section 16 of the Lease and Section 18 of the Property Lease), including, without limitation, the Authority's right to receive Base Rental, as well as its rights to enforce payment of such Base Rental when due or otherwise to protect its interest in the event of a default by the City under the Lease, in accordance with the terms thereof. The Base Rental and other rights of the Authority assigned hereunder shall be applied and the rights so assigned shall be exercised by the Trustee as provided in this Trust Agreement.

**Section 1.03. Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Trust Agreement, have the meanings set forth below. All other capitalized terms used herein without definition shall have the meanings given to such terms in the Lease.

**"Additional Rental"** means the amounts specified as such in Section 3.1(b) of the Lease.

**"Authority"** means the City of Oxnard Financing Authority, a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California.

**"Authority Representative"** means the Chairman, the Vice Chairman, or the Controller of the Authority, or another official designated by such officer and authorized to act on behalf of the Authority under or with respect to this Trust Agreement, the Lease, the Property Lease, and all other agreements related hereto and thereto.

**“Authorized Denomination”** means \$5,000 or any integral multiple thereof.

**“Base Rental”** means the amounts specified as such in Section 3.1(a) of the Lease, as such amounts may be adjusted from time to time in accordance with the terms of the Lease, but does not include Additional Rental.

**“Beneficial Owner”** has the meaning given to such term in Section 7.11 hereof.

[CONFIRM/REVISE GLOBALLY:] [**“Bond Insurance Policy”** means the municipal bond insurance policy issued by the Bond Insurer guaranteeing the scheduled payment when due of the principal of and interest on the Bonds as provided therein.]

[CONFIRM/REVISE GLOBALLY:] [**“Bond Insurer”** means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.]

**“Bond Register”** means the registration books referred to in Section 2.09 hereof.

**“Bonds”** means the Authority’s Lease Revenue Refunding Bonds, Series 2011, issued and delivered in the aggregate principal amount of \$[PRINCIPAL AMOUNT].

**“Bond Year”** means the period of twelve consecutive months commencing on June 2 and ending on June 1 in any year during which Bonds are or will be Outstanding; provided, however, the first Bond Year will commence on the Closing Date and end on June 1, 2012, and that the final Bond Year will end on the date on which the Bonds are fully paid or redeemed.

**“Business Day”** means any day other than (1) a Saturday, a Sunday, or a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed, (2) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed, or (3) a day on which commercial banks are authorized or obligated by law or executive order to be closed in the city in which the Principal office of the Trustee [or the principal office of the Bond Insurer] is located.

**“Certificate of the Authority”** means an instrument in writing signed by an Authority Representative.

**“Certificate of the City”** means an instrument in writing signed by a City Representative.

**“City”** means the City of Oxnard, a municipal corporation duly organized and existing under the laws of the State of California.

**“City Representative”** means the City Manager (or his or her designee) or the Chief Financial Officer (or his or her designee) of the City, or by any other official of the City duly authorized by the City to act on behalf of the City under or with respect to this Trust Agreement, the Lease, the Property Lease, and all other agreements related hereto and thereto.

**"Closing Date"** means June \_\_, 2011, the date of delivery of the Bonds to the initial purchasers thereof.

**"Code"** means the Internal Revenue Code of 1986, as amended.

**"Component"** means each Component of the Property, the legal description of which Component is described in Exhibit A of the Lease, or any property substituted therefor pursuant to Section 7 of the Lease.

**"Computation Year"** means with respect to the Bonds the period beginning on the Closing Date and ending on June 1, 2011, and thereafter each successive twelve month period commencing on each June 2 and ending on the following June 1.

**"Continuing Disclosure Agreement"** means that certain Continuing Disclosure Agreement, dated the date of issuance of the Bonds, by and between the Authority and the Trustee, as dissemination agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**"Costs of Issuance"** mean all the costs of issuing and delivering the Bonds, including, but not limited to, all printing and document preparation expenses in connection with this Trust Agreement, the Lease, the Property Lease, the Bonds, and the preliminary and final official statements pertaining to the Bonds; rating agency fees; [the Bond Insurance Policy premium,] CUSIP Service Bureau charges; consultant fees; market study fees; any computer and other expenses incurred in connection with the issuance of the Bonds; the initial fees and expenses of the Trustee and any paying agent (including, without limitation, origination fees and first annual fees payable in advance); and other fees and expenses incurred in connection with the issuance, execution, and delivery of the Bonds, including the initial rental interruption insurance premium, to the extent such fees and expenses are approved by the City.

**"Costs of Issuance Fund"** means the fund of that name established pursuant to Section 3.02 hereof.

**"Debt Service Fund"** means the fund of that name established pursuant to Section 3.04 hereof.

**"Depository"** means DTC and its successors and assigns or, if (a) the then Depository resigns from its functions as securities depository of the Bonds, or (b) the City discontinues use of the Depository pursuant to Section 2.14 hereof, any other securities depository that agrees to follow procedures required to be followed by a securities depository in connection with the Bonds and that is selected by the City with the consent of the Trustee.

**"DTC"** means The Depository Trust Company, New York, New York, and its successors and assigns.

**"Independent Counsel"** means an attorney or firm of attorneys of recognized national standing in the field of municipal finance selected by the City.

**"Information Services"** means Financial Information, Inc.'s "Financial Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services' "Called Bond Service," 65 Broadway Street, 16th Floor, New York, New York 10004; Moody's Investors Service "Municipal and Government," 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Called Bond Department; Standard and Poor's "Called Bond Record," 25 Broadway, 3rd Floor, New York, New York 10004; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addressees providing information with respect to called bonds as the Authority may designate in writing to the Trustee.

**"Insurance Proceeds Fund"** means the fund of that name established pursuant to Section 3.09 hereof.

**"Interest Payment Date"** means each June 1 and December 1, commencing on December 1, 2011, so long as any Bonds remain Outstanding hereunder.

**"Investment Earnings"** means interest received in respect of the investment of money on deposit in any fund or account maintained hereunder.

**"Lease"** means that certain Master Lease and Option to Purchase, dated as of the date hereof, by and between the Authority and the City, including any amendments or supplements thereto made or entered into in accordance with the terms hereof and of the Lease.

**"Lease Term"** means the term of the Lease as provided in Section 2 thereof.

**"Mandatory Sinking Account Payment"** means the principal amount of Bonds required to be paid on each applicable June 1 pursuant to Section 4.01(d) hereof.

**"Mandatory Sinking Account Payment Date"** means June 1 of each year commencing in 20\_\_ and terminating in 2036.

**"Moody's"** means Moody's Investors Service and its successors and assigns.

**"MSRB"** means the Municipal Securities Rulemaking Board.]

**"Nominee"** means, initially, Cede & Co., as nominee of the Depository, as determined from time to time pursuant hereto.

**"Outstanding,"** when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 10.09 hereof) all Bonds except:

- (a) Bonds previously cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) Bonds no longer entitled to the benefits of this Trust Agreement;
- (c) Bonds paid or deemed to have been paid within the meaning of Section 10.01 hereof;

(d) Bonds described in Section 4.06 hereof; and

(e) Bonds in lieu of or in substitution for which other Bonds shall have been executed and delivered by the Trustee pursuant to Section 2.06 hereof.

[Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due with respect to the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied, and not be considered paid by the Authority.]

**“Owner”** means the registered owner, as indicated in the Bond Register, of any Bond.

**“Participant”** means a member of, or participant in, the Depository.

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

**“Permitted Investments”** means any of the investments listed in Exhibit C attached hereto and incorporated herein by this reference, provided at the time of investment the investment is a legal investment under the laws of the State of California for the moneys proposed to be invested therein.

**“Pledged Assets”** has the meaning given to such term in Section 3.15 hereof.

**“Principal Office of the Trustee”** means the principal corporate trust office of the Trustee located in Los Angeles, California, or such other office as the Trustee may designate.

**“Principal Payment Date”** means each of the June 1 maturity dates set forth in Section 2.02 hereof, with a final maturity date of June 1, 2036.

**“Property”** means, collectively, all Components, including all buildings and improvements thereon and equipment; the legal descriptions of which Components are described in Exhibit A to the Lease, or any property substituted therefor pursuant to Section 7 of the Lease, but excluding such Component of the Property for which a new Component has been substituted in accordance with Section 7 of the Lease.

**“Property Lease”** means that certain Property Lease, dated as of the date hereof, by and between the Authority and the City, including any amendments or supplements thereto made or entered into in accordance with the terms hereof and of the Property Lease.

**“Rebatable Arbitrage”** has the meaning given to such term in Section 3.06 hereof.

**“Rebate Fund”** means the fund of that name established pursuant to Section 3.06 hereof.

**"Record Date"** means the close of business on the fifteenth (15th) day of the month preceding an Interest Payment Date, whether or not such day is a Business Day.

**"Redemption Notice"** shall have the meaning assigned to such term in Section 4.03 hereof.

**"Representation Letter"** shall have the meaning assigned to such term in Section 2.13 hereof.

**"Reserve Fund"** means the fund of that name established pursuant to Section 3.05 hereof.

**"Reserve Requirement"** means, as of any date of calculation, an amount equal to the least of (i) ten percent (10%) of the aggregate principal amount of the Bonds originally issued, (ii) maximum annual Base Rental payments coming due and payable, or (iii) one hundred twenty-five percent (125%) of the average annual Base Rental payments coming due and payable. As of the Closing Date, the Reserve Requirement is \$\_\_\_\_\_.

**"Rule"** means Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended.

**"S&P"** means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors and assigns.

**"Securities Depositories"** means the following registered securities depositories: The Depository Trust Company, 55 Water Street, 50th Floor, New York, New York 10041-0099, Attn. Call Notification Department, Fax (212) 855-7232; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or no such depositories, as the Authority may indicate in a Certificate of the Authority delivered to the Trustee.

**"Special Fund"** means the fund of that name established pursuant to Section 3.05 hereof.

**"State"** means the State of California.

**"Tax Certificate"** means the Tax Certificate delivered by the Authority and the City on the Closing Date, as the same may be amended or supplemented in accordance with its terms.

**"Trust Agreement"** means this Trust Agreement by and among the Authority, the City, and the Trustee, including any amendments or supplements hereto made or entered into in accordance with the terms hereof.

**"Trustee"** means Wells Fargo Bank, National Association, a national banking association existing under the laws of the United States of America, and its successors or assigns, or any other association or corporation that may at any time be substituted in its place as provided in Article V hereof, and its successors or assigns.

**“Written Request of the Authority”** means an instrument in writing signed by an Authority Representative.

**“Written Request of the City”** means an instrument in writing signed by a City Representative.

**“2009 Notes”** means the \$20,005,000 in aggregate principal amount of City of Oxnard Financing Authority Bond Anticipation Notes, Series 2009.

**“2009 Project”** has the meaning given to such term in the whereas clauses hereof.

**“2009 Trust Agreement”** means that certain Trust Agreement, dated as of August 1, 2009, among the 2009 Trustee, the City, and the Authority.

**“2009 Trustee”** means Wells Fargo Bank, National Association, as trustee under the 2009 Trust Agreement.

**“2010 Notes”** means the \$20,520,000 in aggregate principal amount of City of Oxnard Financing Authority Bond Anticipation Notes, Series 2010.

**“2010 Payment Fund”** means the fund by that name established under Section 5.2 of the 2010 Trust Agreement.

**“2010 Trust Agreement”** means that certain Trust Agreement, dated as of June 1, 2010, among the 2010 Trustee, the City, and the Authority.

**“2010 Trustee”** means Wells Fargo Bank, National Association, as trustee under the 2009 Trust Agreement.

**Section 1.04. Rules of Construction.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

**Section 1.05. Authorization.** Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution and delivery of this Trust Agreement.

**Section 1.06. Trust Agreement a Contract.** In consideration of the acceptance of the Bonds by the Owners thereof, this Trust Agreement shall be deemed to be and shall constitute a contract by and among the Authority, the City, the Trustee, and the Owners from time to time of all Bonds issued hereunder and then Outstanding to secure the full and final payment of the interest on, principal of, and redemption premiums, if any, on all Bonds authorized, executed, issued, and delivered hereunder, subject to the agreements, conditions, covenants, and provisions herein contained.

**ARTICLE II**

**TERMS OF THE BONDS**

**Section 2.01. Designation.** The Bonds shall be executed in the name of the Authority and the Trustee is hereby authorized and directed to authenticate and deliver the Bonds to the original purchaser or purchasers thereof. The Bonds shall be designated "City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2011." The Bonds shall be issued and delivered in the aggregate principal amount of \$[PRINCIPAL AMOUNT].

**Section 2.02. Description of Bonds.** Each Bond shall be dated the Closing Date and shall be executed and delivered in fully registered form numbered as the Trustee shall determine. The Bonds shall be dated by the Trustee as of their date of authentication and shall be issued and delivered in Authorized Denominations.

The Bonds shall mature on the Principal Payment Dates and in the principal amounts and shall bear interest at the respective rates per annum as set forth in the following schedule:

<b>Principal Payment Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
20__	\$_____	____%
20__		
20__		
20__		
20__		
20__		
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Interest with respect to each Bond shall accrue from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is after a Record Date and on or prior to the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date, or, unless such date of authentication is on or prior to the first Record Date, in which event interest

with respect thereto shall be payable from the Closing Date; provided, however, that if at the time of authentication of any 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. Interest on the Bonds shall be computed using a year of 360 days consisting of twelve 30-day months.

Interest on the Bonds shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest shall be paid on each applicable Interest Payment Date by check or draft of the Trustee, sent to the Owner by first-class mail, postage prepaid, at his address as it appears on the Bond Register; provided, however, that interest payable to an Owner of \$1,000,000 or more in aggregate principal amount of Bonds shall be paid by wire transfer to such account within the United States as such Owner shall have specified in writing prior to the applicable Record Date to the Trustee for such purpose. Payments of defaulted interest shall be paid by check or draft 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 not less than ten days prior thereto. The principal of the Bonds shall be payable, subject to prior optional and mandatory redemption, including, without limitation, Mandatory Sinking Account Payments, on each Principal Payment Date. Principal of and premium, if any, on each Bond are payable upon surrender of such Bond at the Principal Office of the Trustee upon maturity or the earlier prepayment thereof. The principal of, premium, if any, on and interest on the Bonds shall be payable in lawful money of the United States of America. Except for the Bonds described in this Section 2.02, no additional Bonds shall be executed and delivered under this Trust Agreement.

**Section 2.03. Form of Bonds.** The Bonds shall be substantially in the form set forth in Exhibit A attached hereto and incorporated herein by this reference, with necessary or appropriate insertions, omissions, and variations as permitted or required hereby.

**Section 2.04. Execution.** All of the Bonds shall be executed in the name of and on behalf of the Authority with the signature of the Chairman (or, in his or her absence, the Vice Chairman of the Authority) and the countersignature of the Secretary of the Authority. Each such signature may be manually affixed, printed, lithographed, or facsimile engraved.

In case any such officer whose signature or countersignature appears on the Bonds shall cease to be such officer before the Bonds so signed shall have been delivered, such signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until the delivery of the Bonds, and such Bonds shall be issued and Outstanding hereunder and shall be as binding upon the Authority as though the person who signed such Bonds had been such official on the date borne by the Bonds and on the date of delivery. In addition, any Bond may be signed on behalf of the Authority by such person as at the actual date of execution of such Bond shall be the Chairman or Vice Chairman or Secretary of the Authority, as the case may be, although on the date borne by such Bond such person shall not have been such official.

No Bond issued pursuant to this Trust Agreement shall be valid and entitled to the benefits, security, and protection of this Trust Agreement unless the Certificate of Authentication on such Bond has been manually executed by the Trustee.

**Section 2.05. Transfer and Exchange.** The registration of any Bond may be transferred upon the Bond Register upon surrender of such Bond to the Trustee. Such Bond shall be endorsed or accompanied by delivery of the written instrument of transfer shown in Exhibit A hereto, duly executed by the Owner or his duly authorized attorney, and payment of such reasonable transfer fees as the Trustee may establish. Upon such registration of transfer, a new Bond or Bonds, of Authorized Denominations, for the same aggregate principal amount, maturity, and interest rate shall be executed and delivered to the transferee in exchange therefor. All such Bonds surrendered to the Trustee shall thereupon be cancelled by the Trustee and destroyed with a certificate of destruction delivered to the Authority upon its order.

The Authority and the Trustee shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute Owner of such Bond, whether or not the principal of or interest on such Bond shall be overdue, for the purpose of receiving payment of principal and interest on such Bond and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of other Authorized Denominations of the same maturity and interest rate. All Bonds surrendered in any such exchange shall thereupon be canceled by the Trustee and either destroyed or delivered to the Authority upon its order. The Trustee may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The costs of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer or exchange shall be paid by the Authority.

The Trustee shall not be required to register the transfer or exchange of any Bond during a period beginning at the opening of business fifteen (15) days before the date such Bonds are selected for redemption and the date any Bonds are to be redeemed or any Bond selected for redemption, except for the portion of any Bond redeemed only in part that remains Outstanding.

**Section 2.06. Bonds Mutilated, Lost, Destroyed, or Stolen.** If any Bond shall become mutilated, the Authority, at the expense of the Owner of such Bond, shall execute and the Trustee shall deliver a new Bond of like denomination, maturity, and interest rate in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and 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 is satisfactory to the Trustee and indemnity satisfactory to the Trustee, has been given, the Authority, at the expense of the Owner, shall execute and the Trustee shall authenticate and deliver a new Bond of like denomination, maturity, and interest rate in lieu of and in substitution for the Bond so lost, destroyed, or stolen. The Trustee may require payment of an appropriate fee for each new Bond delivered under this Section 2.06 and of the expenses that may be incurred by the Trustee in carrying out its duties under this Section 2.06. Any Bond executed and delivered under the provisions of this Section 2.06 in lieu of any Bond claimed to be lost, destroyed, or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other

Bonds. Notwithstanding any other provision of this Section 2.06, in lieu of delivering a new Bond for one that has been mutilated, lost, destroyed, or stolen, and that has matured, or has been called for redemption, the Trustee may make payment of the principal of or interest on such Bond upon receipt of indemnity satisfactory to it.

**Section 2.07. Temporary Bonds.** Until definitive Bonds shall be prepared, the Authority may cause to be executed and delivered in lieu of such definitive Bonds and subject to the same provisions, limitations, and conditions as are applicable in the case of definitive Bonds, except that they may be in any denominations authorized by the Authority, one or more temporary typed, printed, lithographed, or engraved Bonds in fully registered form, as may be authorized by the Authority, substantially of the same tenor and, until exchanged for definitive Bonds, entitled and subject to the same benefits and provisions of this Trust Agreement as definitive Bonds. If the Authority issues temporary Bonds, it shall execute and furnish definitive Bonds without unnecessary delay and thereupon the temporary Bonds may be surrendered to the Principal Office of the Trustee, without expense to the Owner in exchange for such definitive Bonds. All temporary Bonds so surrendered shall be cancelled by the Trustee and shall not be reissued.

**Section 2.08. Execution of Documents and Proof of Ownership.** Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by 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 this Trust Agreement (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 that 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.

**Section 2.09. Bond Register.** The Trustee shall keep or cause to be kept at the Principal Office of the Trustee sufficient books for the registration and registration of transfer of the Bonds, which books shall at all times during regular business hours be open to inspection by the Authority and the City. Upon presentation for registration of transfer, the Trustee shall, as above provided and under such reasonable regulations as it may prescribe subject to the

provisions hereof, register, or register the transfer of, the Bonds, or cause the same to be registered or cause the transfer of the same to be registered, on such books.

**Section 2.10. Nonpresentment of Bonds.** In the event any Bond shall not be presented for payment when the principal thereof becomes due, if funds sufficient to pay such Bond shall be held by the Trustee for the benefit of the Owner thereof, all liability of the Authority to the Owner thereof for the payment of the principal amount of such Bond shall forthwith cease, determine, and be completely discharged and thereupon it shall be the duty of the Trustee to hold such funds (subject to Section 2.11 hereof), without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on, or with respect to, such Bond.

**Section 2.11. Unclaimed Money.** All money that the Trustee shall have received from any source and set aside for the purpose of paying any Bond shall be held in trust for the Owner of such Bond, but any money that shall be so set aside or deposited by the Trustee and that shall remain unclaimed by the Owner of such Bond for a period of one (1) year after the date on which any payment with respect to such Bond shall have become due and payable shall be paid to the Authority; provided, however, that the Trustee, before making any such payment, shall notify the Authority of such unclaimed moneys on deposit and then, at the expense of the Authority, cause notice to be mailed to the Owner of such Bond, by first-class mail, postage prepaid, not less than ninety (90) days prior to the date of such payment to the effect that said money has not been claimed and that after a date named therein any unclaimed balance of said money then remaining will be paid to the Authority. Thereafter, the Owner of such Bond shall, subject to any applicable escheat laws, look only to the Authority for payment and then only to the extent of the amount so received without any interest thereon, and the Trustee [and the Bond Insurer] shall have no responsibility with respect to such money.

**Section 2.12. Book-Entry System; Limited Obligation.** Bonds of each maturity shall be initially issued and delivered in the book-entry bond form of a separate single fully registered Bond (which may be typewritten). Upon initial issuance and delivery, the ownership of each such book-entry Bond shall be registered in the Bond Register in the name of the Nominee of the Depository. Except as provided in Section 2.14 hereof, all of the Outstanding Bonds shall be registered in the Bond Register kept by the Trustee in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a successor Depository or to another nominee of the Depository or of a successor Depository.

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Authority, the City, and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Authority, the City, and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Participant, beneficial owner, or any other person, other than the Depository, of any notice with respect to the Bonds, including any Redemption Notice, (c) the selection by the Depository and the Participants of the beneficial interest in the Bonds to be redeemed in part, or (d) the payment to any Participant, beneficial owner, or any other person, other than the Depository, of any amount with respect to principal of,

premium, if any, or interest on the Bonds. The Authority, the City, and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, on, and interest on such Bond, for the purpose of giving Redemption Notices and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Trustee shall pay all principal of, premium, if any, on, and interest on the Bonds only to or upon the order of the respective Bond Owners, as shown in the Bond Register kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid hereunder with respect to payment of principal, premium, if any, and interest pursuant to this Trust Agreement. Upon delivery by the Depository to the Trustee, the Authority, and the City 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 Trust Agreement shall refer to such new nominee of the Depository.

**Section 2.13. Representation Letter.** In order to qualify the Bonds for the Depository's book-entry system, the Authority Representative is hereby authorized to execute, countersign, and deliver on behalf of the Authority 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 2.12 hereof or in any other way impose upon the Authority any obligation whatsoever with respect to persons having beneficial interests in the Bonds other than the Owners, as shown in the Bond Register kept by the Trustee. In the written acceptance by the Trustee of the Representation Letter, the Trustee shall agree, and hereby agrees, to take all actions necessary for all representations of the Trustee 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 Representative and all other officers of the Authority, and their respective designees, each are hereby authorized to take any other actions, not inconsistent with this Trust Agreement, to qualify the Bonds for the Depository's book-entry program.

**Section 2.14. Transfers Outside Book-Entry System.** If at any time the Depository notifies the Authority, the Trustee, and the City that the Depository is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a successor Depository is not appointed by the Authority, at the direction of the City, within ninety (90) days after the Authority receives notice or becomes aware of such condition, as the case may be, Section 2.12 hereof shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver the Bonds as provided below. In addition, the Authority, upon receipt of written directions from the City, may determine at any time that the Bonds shall no longer be represented by book-entry bonds and that the provisions of Section 2.12 hereof shall no longer apply to the Bonds. In any such event, the Authority shall execute and the Trustee shall authenticate and deliver the Bonds as provided below. Bonds authenticated and delivered in exchange for book-entry bonds pursuant to this Section 2.14 shall be registered in such names and delivered in such Authorized Denominations as the Depository, pursuant to instructions from

the Participants or otherwise, shall instruct the Authority and the Trustee. The Trustee shall deliver such Bonds to the persons in whose names such Bonds are so registered.

If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or cause to be prepared a new fully-registered book-entry bond for each maturity of the Bonds, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the Authority, the Trustee, and such securities depository and not inconsistent with the terms of this Trust Agreement.

**Section 2.15. Payments and Notices to the Nominee.** Notwithstanding any other provision of this Trust Agreement to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of, premium, if any, on, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

**Section 2.16. Initial Depository and Nominee.** The initial Depository under this Trust Agreement shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

### ARTICLE III

#### FUNDS AND ACCOUNTS

**Section 3.01. Application of Transferred Moneys and Proceeds of Sale of the Bonds.**

Upon the receipt of payment for the Bonds when the same shall be sold to the original purchaser or purchasers thereof, the amount of \$\_\_\_\_\_ (representing \$[PRINCIPAL AMOUNT].00 of aggregate principal amount of the Bonds, less \$\_\_\_\_\_ of underwriter's discount [, less \$\_\_\_\_\_ transferred by the underwriter to the Bond Insurer to pay the Bond Insurance Policy premium]) shall be applied as follows:

(a) The Trustee shall deposit \$\_\_\_\_\_ of the proceeds of the Bonds into the Costs of Issuance Fund;

(b) The Trustee shall deposit \$\_\_\_\_\_ of the proceeds of the Bonds into the Reserve Fund; and

(c) The Trustee shall transfer \$\_\_\_\_\_ of the proceeds of the Bonds to the 2010 Trustee for deposit into the 2010 Payment Fund to pay in full the 2010 Notes on the maturity date thereof.

**Section 3.02. Establishment and Application of Costs of Issuance Fund.** There is hereby established in trust a special fund designated the "Costs of Issuance Fund," which shall be held by the Trustee and which shall be kept separate and apart from all other funds and moneys held by the Trustee. There shall be deposited in the Costs of Issuance Fund

that portion of the proceeds of the Bonds required to be deposited therein pursuant to Section 3.01 hereof and such other amounts as specified by the Authority. The Trustee shall disburse money from the Costs of Issuance Fund on such dates and in such amounts as are necessary to pay Costs of Issuance, in each case, promptly after receipt of, and in accordance with, a Written Request of the Authority in the form attached hereto as Exhibit B, together with invoices therefor. Each such Written Request of the Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Any amounts remaining in the Costs of Issuance Fund on the earlier of (i) six (6) months after the Closing Date, or (ii) the date on which the Authority has notified the Trustee in writing that all Costs of Issuance have been paid, shall be transferred to the Debt Service Fund and be applied from time to time on behalf of the City as a credit against the next Base Rental payments due.

**Section 3.03. [RESERVED].**

**Section 3.04. Establishment and Application of Debt Service Fund.** There is hereby established in trust a special fund designated as the “**Debt Service Fund**,” which shall be held by the Trustee and which shall be kept separate and apart from all other funds, accounts, and moneys held by the Trustee. The Debt Service Fund shall be maintained by the Trustee until all required Base Rental is paid in full pursuant to the terms of the Lease and this Trust Agreement is discharged in accordance with Section 10.01 hereof.

Except as otherwise provided in this paragraph, Base Rental and proceeds of rental interruption insurance with respect to the Property, if any, received by the Trustee shall be deposited in the Debt Service Fund. Any delinquent Base Rental payments and any proceeds of rental interruption insurance with respect to the Property deposited in the Debt Service Fund shall be applied first to the immediate payment of interest payments past due and then to the immediate payment of principal payments past due according to the tenor of any Bond, and then to the Reserve Fund to the extent necessary to make the amount on deposit therein equal to the Reserve Requirement. Any remaining money representing delinquent Base Rental payments and any proceeds of insurance shall remain on deposit in the Debt Service Fund to be applied in the manner provided herein.

Amounts, if any, transferred from the Costs of Issuance Fund or the Reserve Fund to the Debt Service Fund shall constitute a credit against the portion of the Base Rental payments otherwise due and owing on the next applicable Interest Payment Date.

The Trustee shall pay from the Debt Service Fund on each Interest Payment Date an amount that, together with monies on deposit therein, equals the interest then due and the principal then due or required to be redeemed on such Interest Payment Date with respect to the Bonds, for payment of the Bonds in accordance with the terms of this Trust Agreement. Any amounts remaining in the Debt Service Fund on the day following an Interest Payment Date if the payments of interest or interest and principal have been paid shall be deposited into the Reserve Fund to the extent that the amount therein is less than the Reserve Requirement and the balance shall be retained in the Debt Service Fund.

Any proceeds of insurance (other than rental interruption or workers' compensation insurance) or awards in respect of a taking under the power of eminent domain not required pursuant to the Lease to be used for repair, reconstruction, or replacement, and any other amounts provided for the redemption of Bonds in accordance with Section 3.09 and Section 3.10 hereof, shall be deposited by the Trustee in the Debt Service Fund. The Trustee shall, on the scheduled redemption date, withdraw from the Debt Service Fund and pay to the Owners entitled thereto an amount equal to the redemption price of the Bonds to be redeemed on such date for the payment of such redemption price in accordance with the terms of Section 4.01(b) this Trust Agreement.

All moneys transferred by the City to the Trustee pursuant to Section 7 of the Lease shall be deposited by the Trustee in the Debt Service Fund. The Trustee shall, on the scheduled redemption date, withdraw from the Debt Service Fund and pay to the Owners entitled thereto an amount equal to the redemption price of the Bonds to be redeemed on such date for the payment of such redemption price in accordance with the terms of Section 4.01(c) this Trust Agreement.

**Section 3.05. Establishment and Application of Reserve Fund.** There is hereby established in trust a special fund designated as the "Reserve Fund," which shall be held by the Trustee and which shall be kept separate and apart from all other funds, accounts, and moneys held by the Trustee. The Reserve Fund shall be maintained by the Trustee until the Base Rental is paid in full pursuant to the Lease and this Trust Agreement is discharged in accordance with Section 10.01 hereof. There shall be deposited in the Reserve Fund all amounts required to be deposited therein pursuant to this Article III. So long as the amount deposited in the Reserve Fund satisfies the Reserve Requirement, no deposit need be made in the Reserve Fund. All Investment Earnings received by the Trustee on investment of moneys in the Reserve Fund shall be retained therein to the extent necessary to increase the amount on deposit in the Reserve Fund to the Reserve Requirement. Any balance shall be transferred to the Debt Service Fund and be applied from time to time on behalf of the City as a credit against the next Base Rental payments due. Subject to the foregoing, all Investment Earnings on amounts in the Reserve Fund shall be transferred as provided in Section 3.13 hereof. The Trustee shall promptly notify the Authority and the City if the amount on deposit in the Reserve Fund is less than the Reserve Requirement. In such event, the City is required, pursuant to Section 3.1(b) of the Lease, to deposit with the Trustee amounts sufficient to maintain the Reserve Fund at the Reserve Requirement. Any amount deposited in the Reserve Fund in excess of the Reserve Requirement shall be transferred and deposited in the Debt Service Fund and be applied from time to time on behalf of the City as a credit against the next Base Rental payments due.

If, on any Interest Payment Date, the amounts in the Debt Service Fund are less than the principal and interest payments due with respect to the Bonds on such date, the Trustee shall transfer from the Reserve Fund for credit to the Debt Service Fund amounts sufficient to make up such deficiencies. In the event of any such transfer, the Trustee shall, within five (5) days thereafter, provide written notice to the Authority [, the Bond Insurer,] and the City of the amount and the date of such transfer.

The Authority, upon the written direction of the City, [, with the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment

obligations under the Bond Insurance Policy,] and upon notice to S&P, reserves the right to substitute, at any time and from time to time, one or more letters of credit, surety bonds, insurance policies, or other form of guaranty from a financial institution, the long-term unsecured obligations of which are rated not less than "Aa" by Moody's or "AA" by S&P in substitution for or in place of all or any portion of the Reserve Requirement, under the terms of which the Trustee is unconditionally entitled to draw amounts when required for the purposes hereof. Upon deposit by the Authority, upon the written direction of the City, [with the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] with the Trustee of any such letter of credit, surety bond, insurance policy, or other form of guaranty, the Trustee shall transfer to the City from the Reserve Fund an amount equal to the principal amount of such letter of credit, surety bond, bond insurance policy, or other form of guaranty for deposit in a special fund to be established by the City (the "**Special Fund**"). The City shall use amounts on deposit in the Special Fund, (i) to purchase Bonds in the secondary market or (ii) for other capital projects of the City that Independent Counsel has determined will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

**Section 3.06. Establishment and Application of Rebate Fund.** A special fund is hereby created and designated the "**Rebate Fund**" to be held by the Trustee. The Authority shall comply with the requirements below and in the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by this Section and the Tax Certificate, unless the Authority obtains an opinion of Independent Counsel to the effect that certain specified requirements herein or therein no longer need to be satisfied.

(a) Computation. Prior to the end of the fifth Computation Year with respect to the Bonds, the Authority shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-2 of the Treasury Regulations promulgated thereunder (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code), for this purpose treating the last day of said Computation Year as a computation date, within the meaning of Section 1.148-8(b) of the Treasury Regulations promulgated thereunder (the "**Rebatable Arbitrage**"). The Authority shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section and the Tax Certificate.

(b) Transfer. Prior to the end of the fifth Computation Year with respect to the Bonds, upon the Authority's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from any legally available funds, including the other funds and accounts established herein, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with subsection (a) above of this Section 3.06. In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written instructions from the Authority, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Debt Service Fund.

(c) Payment to the Treasury. Upon receipt of a Written Request of the Authority, the Trustee shall pay to the United States Treasury, out of amounts in the Rebate Fund:

(i) Not later than sixty (60) days after the end of (A) the fifth Computation Year with respect to the Bonds, and (B) each applicable fifth Computation Year thereafter, an amount equal to at least ninety percent (90%) of the Rebatable Arbitrage calculated as of the end of such Computation Year; and

(ii) Not later than sixty (60) days after the payment of all the Bonds, an amount equal to one hundred percent (100%) of the Rebatable Arbitrage calculated as of the end of such applicable Computation Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Authority shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source, including the other funds and accounts established herein, equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this Section 3.06(c) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201-0027 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, or shall be made in such other manner as provided under the Code.

(d) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the Bonds and the payments described in Section 3.06(c) hereof may be transferred by the Trustee to the Authority at the written direction of the City Representative and utilized in any manner by the Authority.

(e) Survival of Defeasance. Notwithstanding anything in this Section 3.06 or this Trust Agreement to the contrary, the obligation to comply with the requirements of this Section 3.06 shall survive the defeasance of the Bonds.

(f) Trustee Responsible. The Trustee shall have no obligations or responsibilities under this Section other than to follow the written directions of an Authority Representative or a City Representative.

**Section 3.07. Surplus.** After (a) payment or redemption or provision for payment or redemption of all amounts due with respect to the Bonds as provided in Section 10.01 hereof, and payment of all fees, reimbursement amounts, and expenses of the Trustee [and the Bond Insurer], and (b) the transfer of any additional amounts required to be deposited into the Rebate Fund pursuant to the written instructions from an Authority Representative or a City Representative in accordance with Section 3.06 hereof and the Tax Certificate, any amounts remaining in any of the funds or accounts established hereunder (other than in the Rebate Fund) and not required for such purposes shall after payment of any amounts due to the Trustee [and the Bond Insurer] be remitted to the Authority and used for any lawful purpose.

**Section 3.08. Additional Rental.** In the event the Trustee receives Additional Rental pursuant to the Lease, such Additional Rental shall be applied by the Trustee solely to the payment of any costs in respect of which such Additional Rental was received, and shall not be commingled in any way with any other funds received by the Trustee pursuant to the Lease or this Trust Agreement.

**Section 3.09. Repair or Replacement; Application of Insurance Proceeds and Condemnation Awards.** If any portion of the Property shall be damaged or destroyed, or shall be taken by eminent domain proceedings, the City shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the City [, with the prior written consent or at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] elects not to repair or replace the Property in accordance with the provisions of this Section 3.09.

The proceeds of any insurance (other than any rental interruption or workers' compensation insurance), including the proceeds of any self-insurance fund and of any condemnation award, received on account of any damage, destruction, or taking of the Property or portion thereof shall as soon as possible be deposited with the Trustee and be held by the Trustee in an Insurance Proceeds Fund (the "**Insurance Proceeds Fund**") to be then established for and, to the extent necessary, shall be applied to the cost of repair or replacement of the Property or affected portion thereof upon receipt of a Written Request of the City. Pending such application, such proceeds shall be invested by the Trustee solely at the written direction of a City Representative in Permitted Investments that mature not later than such times moneys are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, a City Representative shall, within ninety (90) days of the occurrence of the event of damage, destruction, or taking, notify the Trustee in writing of whether the City [, with the prior written consent or at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] intends to replace or repair the Property or the portions of the Property that were damaged or destroyed. If the City [, with the prior written consent or at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] elects to replace or repair the Property or portions thereof, the City shall deposit with the Trustee the full amount of any insurance deductible to be credited to the Insurance Proceeds Fund.

If the damage, destruction, or taking was such that there resulted a substantial interference with the City's right to the use or possession of the Property or any portion thereof and an abatement of rental payments will result from such damage or destruction pursuant to Section 3.5 of the Lease, then the City [, with the prior written consent or at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] shall be required either to (i) apply sufficient funds from the insurance proceeds, condemnation award, and other legally available funds to the replacement or repair of the Property or portions thereof that have been damaged, destroyed, or taken so that such Property or any portion thereof will be restored to its former condition and fair rental value, or (ii) transfer to the Debt Service Fund and apply sufficient funds from the insurance proceeds, condemnation award, and other legally available funds to the redemption, as set forth in

Section 4.01(b) hereof, in full of all the Outstanding Bonds or all of those Outstanding Bonds that would have been payable from that portion of the Base Rental payments that are abated as a result of the damage, destruction, or taking, such that the Base Rental payable on the remaining portions of the Property is sufficient to pay all principal and interest due with respect to the Bonds to remain Outstanding after such redemption. Any amounts received by the Trustee under this Section 3.09 in excess of the amount needed to either repair or replace a damaged, destroyed, or taken portion of the Property or to redeem Bonds shall be transferred to the Reserve Fund to the extent necessary to make the amount on deposit therein equal to the Reserve Requirement and thereafter any excess shall be deposited in the Debt Service Fund.

**Section 3.10. Title Insurance.** Proceeds of any policy of title insurance received by the Trustee in respect of the Property shall be applied and disbursed by the Trustee as follows:

(a) If the Authority and the City [, with the prior written consent or at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] (i) determine that the title defect giving rise to such proceeds has not materially affected the use and possession of the Property and will not result in an abatement of Base Rental payable by the City under the Lease, and (ii) has provided the Trustee with written evidence of such determination, such proceeds shall be deposited into the Reserve Fund to the extent necessary to make the amount on deposit therein equal to the Reserve Requirement. Amounts not required to be so deposited [, with the prior written consent or at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] shall be remitted to the City.

(b) If the Authority and the City [, with the prior written consent or at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] determine that such title defect will result in an abatement of Base Rental payable by the City under the Lease, then the Trustee shall immediately deposit such proceeds in the Debt Service Fund and such proceeds and any other legally available funds, if any, shall be applied to the redemption of Bonds in the manner specified in Section 4.01(b) hereof.

**Section 3.11. Application of Amounts after Default by City.** All damages or other payments received by the Trustee from the enforcement of any rights and powers of the Trustee under Section 12 of the Lease, after a default by the City thereunder or hereunder, shall be applied promptly to the payment of reasonable fees and expenses of the Trustee (including fees and expenses of counsel) pertaining to the performance of its powers and duties under this Trust Agreement and the remainder shall be deposited into the Debt Service Fund and applied in the manner specified herein.

**Section 3.12. Held in Trust.** The moneys and investments held by the Trustee hereunder are irrevocably held in trust for the purposes herein specified, and such moneys and investments, and any income or interest earned thereon, shall be expended only as provided herein, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of (i) the Authority, (ii) the City, (iii) the Trustee, (iv) any Owner, [or] (v) any beneficial owner of the Bonds [, or (vi) the Bond Insurer].

**Section 3.13. Investments Authorized.** Money held by the Trustee in any fund or account hereunder shall be invested by the Trustee in Permitted Investments pending application as provided herein, solely at the written direction of a City Representative, shall be registered in the name of the Trustee, as Trustee, and shall be held by the Trustee. The City shall direct the Trustee prior to 12:00 p.m. Los Angeles time on the last Business Day before the date on which a Permitted Investment matures or is redeemed as to the reinvestment of the proceeds thereof. In the absence of such direction, the Trustee shall invest in Permitted Investments described in clause (15) of the definition thereof. Money held in any fund or account hereunder may be commingled for purposes of investment only. The obligations in which moneys in the said funds are invested shall mature on or prior to the date on which such moneys are estimated to be required to be paid out hereunder. The obligations in which moneys in the Reserve Fund are so invested shall be invested in obligations maturing no later than five (5) years after the date of investment; provided no such investment shall mature later than the final maturity date of the Bonds; provided further, if such investments may be redeemed at par so as to be available on each Interest Payment Date, any amount of the Reserve Fund may be invested in such redeemable investments of any maturity on or prior to the final maturity date of the Bonds.

All Investment Earnings with respect to amounts in the Rebate Fund shall be retained therein. All Investment Earnings with respect to amounts in the Debt Service Fund shall be retained therein. The Trustee shall transfer all Investment Earnings on deposit in all other funds and accounts established hereunder (except, to the extent required by Section 3.05 hereof, in the Reserve Fund) to the Debt Service Fund. For purposes of determining the amount of deposit in any fund held hereunder, all Permitted Investments credited to such fund shall be valued at the cost thereof.

The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 3.13, provided that the Trustee has given prior notice to the City of its intent to do so. The Trustee may act as principal or agent in the making or disposing of any investment. The Trustee may commingle moneys in funds and accounts for purposes of investment.

For the purpose of determining the amount in any fund or account hereunder all Permitted Investments shall be valued at the end of each month calculated in the manner as provided in the definition of Permitted Investments. The Trustee may sell, or present for redemption, any Permitted Investment purchased by the Trustee whenever it shall be necessary in order to provide money to meet any required payment, transfer, withdrawal, or disbursement from any fund or account hereunder, and the Trustee shall not be liable or responsible for any loss resulting from such investment or sale, except any loss resulting from its own negligence or willful misconduct.

The City and the Authority acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the City and the Authority the right to receive brokerage confirmations of security transactions as they occur, the City and the Authority specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City and the Authority periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

**Section 3.14. Reports.** The Trustee shall furnish monthly to the Authority a report, which may be its customary account statements, of all investments made by the Trustee and of all amounts on deposit in each fund and account maintained hereunder.

**Section 3.15. Pledge; Limited Obligation.** The Lease, the Property Lease, the Base Rental payments, and the amounts on deposit from time to time in the funds and accounts established under this Trust Agreement (except for amounts on deposit in the Rebate Fund) (collectively, the "**Pledged Assets**") are hereby pledged and assigned to the timely payment of the principal of and interest on the Bonds. The Bonds are limited obligations of the Authority payable solely from the Pledged Assets.

## ARTICLE IV

### REDEMPTION OF BONDS

**Section 4.01. Redemption.** The Bonds shall be subject to redemption prior to their stated maturities only as set forth below:

(a) **Optional Redemption.** The Bonds maturing on or before June 1, 20\_\_, are not subject to optional redemption prior to their stated Principal Payment Dates. The Bonds maturing on or after June 1, 20\_\_, are subject to optional redemption prior to maturity on or after June 1, 20\_\_, at the option of the City, as a whole or in part on any Business Day, at a redemption price equal to the principal amount of Bonds to be redeemed, without premium, plus accrued but unpaid interest to the redemption date, from amounts deposited with the Trustee by the City in furtherance of the exercise of the City's option to purchase the Authority's right, title, and interest in the Property or a Component thereof in accordance with Section 15 of the Lease and from any other funds available therefor.

(b) **Extraordinary Redemption From Insurance or Condemnation Proceeds.** The Bonds are subject to extraordinary redemption prior to maturity in whole or in part on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest to the redemption date, without premium, in an amount equal to the proceeds of insurance or condemnation awards or other amounts deposited in the Debt Service Fund pursuant to Section 3.09 or 3.10 hereof.

(c) **Extraordinary Redemption upon the Sale or Nongovernmental Use of the 2009 Project.** The Bonds are subject to extraordinary redemption prior to maturity in whole or in part on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest to the redemption date, without premium, in an amount determined as necessary by the City, after consultation with Independent Counsel, in order to maintain the exclusion from gross income of interest on the Bonds, in connection with any sale, lease, or other transfer of all or any portion of the 2009 Project or any use of all or any portion of the 2009 Project in the trade or business of any nongovernmental persons, from any available funds of the City deposited in the Debt Service Fund pursuant to Section 7 of the Lease.

(d) **Mandatory Sinking Account Redemption.**

(i) The Bonds maturing on June 1, 20\_\_, are subject to redemption prior to their stated Principal Payment Dates, in part, from Mandatory Sinking Account Payments, on the first Business Day of each June, commencing June 1, 20\_\_, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium. The principal amount of such Bonds to be so prepaid and the dates therefor shall be as follows:

<u>June 1 of the Year</u>	<u>Principal Amount</u>
20__	\$ ____,000
20__	__,000
20__	__,000
20__	__,000

(ii) The Bonds maturing on June 1, 2036, are subject to redemption prior to their stated Principal Payment Dates, in part, from Mandatory Sinking Account Payments, on the first Business Day of each June, commencing June 1, 20\_\_, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium. The principal amount of such Bonds to be so prepaid and the dates therefor shall be as follows:

<u>June 1 of the Year</u>	<u>Principal Amount</u>
20__	\$ ____,000
20__	__,000
20__	__,000
2036	__,000

The amount of each redemption required by this subsection (d) shall be reduced proportionately in the event and to the extent of any and all redemptions of Bonds pursuant to this Section 4.01 other than this subsection (d).

**Section 4.02. Selection of Bonds for Redemption.** Whenever provision (other than Section 4.01(d)) is made in this Trust Agreement for the redemption of Bonds and less than all Outstanding Bonds shall be called for redemption, the Trustee shall select Bonds for redemption pro rata among maturities, such that substantially equal debt service results for the remaining years of the Lease Term and such that Base Rental to become due in each remaining year of the Lease Term shall be as nearly equal as possible to Base Rental to come due in every other such year. For the purposes of determining the redemption of Bonds pursuant to this Section 4.02, the Bonds shall be deemed to mature in the amounts and on the dates set forth in the table in Section 4.01(d) hereof. The principal amount of the Bonds subject to Mandatory Sinking Account Payments pursuant to Section 4.01(d) hereof shall be reduced in each of the years by the principal amount of the Bonds required to be redeemed in such years pursuant to Section 4.01(a), 4.01(b), or 4.01(c) hereof, as applicable. The Trustee shall select Bonds within each maturity for redemption by lot. The Trustee shall promptly notify the City and the Authority in writing of the Bonds so selected for redemption. Redemption by lot shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Bond to be redeemed shall be in an Authorized Denomination.

**Section 4.03. Notice of Redemption.** When redemption is authorized or required pursuant to Section 4.01 hereof, the Trustee shall give notice (the "**Redemption Notice**"), at the expense of the City, of the redemption of the Bonds; provided, however, that neither failure of any Owner to receive a Redemption Notice nor any defect in a Redemption Notice shall affect the sufficiency of the proceedings for the redemption of Bonds. Notice of the optional or extraordinary redemption of Bonds, other than any notice that refers to Bonds that are to be redeemed from proceeds of a refunding bond issue [or from amounts to be provided by the Bond Insurer in its discretion], may be given only if sufficient funds have been deposited with the Trustee to pay the applicable redemption price of the Bonds to be redeemed. The Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) that are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of any paying agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) if less than all Outstanding Bonds are to be redeemed, the numbers of the Bonds of the maturities to be redeemed in whole or in part and, in any case, the principal amount of Bonds of each maturity to be redeemed in whole or in part, and (g) the original issue date, interest rate, and stated maturity date of each Bond to be redeemed in whole or in part. The Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with interest accrued thereon to the redemption date, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

The Trustee shall take the following actions with respect to each Redemption Notice:

(a) At least thirty (30) but not more than sixty (60) days prior to the redemption date, the Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first-class mail, postage prepaid, at their addresses appearing on the Bond Register as of the close of business on the day before the Redemption Notice is given.

(b) At least thirty (30) but not more than sixty (60) days before the redemption date, the Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories.

(c) At least thirty (30) but not more than sixty (60) days before the redemption date, the Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Upon the occurrence of any contingent or other unscheduled Bond redemption hereunder, notice thereof shall be given to the MSRB pursuant to and in accordance with the Continuing Disclosure Agreement.]

**Section 4.04. Partial Redemption of Bonds.** Upon the 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 City, a new Bond or Bonds of the same maturity date and interest rate and of Authorized Denominations equal in aggregate principal amount to the

unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the Authority and the Trustee shall be released and discharged thereupon from all liability to the extent of such payment.

**Section 4.05. Effect of Notice of Redemption.** Notice of redemption having been given as provided in Section 4.03 hereof, and the money for the redemption (including accrued interest to the redemption date) having been set aside in the Debt Service Fund prior to the giving of such notice as provided in Section 4.03 hereof (except as otherwise permitted under Section 4.03 hereof), the Bonds to be redeemed shall become due and payable on such redemption date.

If, on such redemption date, money for the redemption of all of the Bonds to be redeemed, together with accrued interest to such redemption date, shall be held by the Trustee so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given to the Owners as provided in Section 4.03 hereof, then from and after such redemption date interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust, without liability for interest thereon, for the account of the Owners of the Bonds to be redeemed.

On each such redemption date, the Authority shall recompute the principal amount of Base Rental to become due in each remaining year of the Lease following redemption of the Bonds to be redeemed and shall notify the City in writing of the recomputed principal amount of such Base Rental.

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

**Section 4.06. Bonds No Longer Outstanding.** When any Bond (or portion thereof), which has been duly called for redemption prior to maturity under the provisions of this Trust Agreement, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Trustee, in form satisfactory to it, and sufficient money shall be held by the Trustee irrevocably in trust for the payment of the redemption price of such Bond, or portion thereof, and accrued interest with respect thereto to the date fixed for redemption, all as provided in this Trust Agreement, then such Bond (or portion thereof) shall no longer be deemed Outstanding under the provisions of this Trust Agreement. If the Authority shall otherwise acquire any Bond by purchase or otherwise, such Bond shall no longer be deemed Outstanding and shall be surrendered to the Trustee for cancellation.

## ARTICLE V

### THE TRUSTEE

**Section 5.01. Compensation of Trustee.** The Authority shall, from time to time, on demand, pay to the Trustee reasonable compensation for its services and shall reimburse the

Trustee for all its reasonable advances and expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents, and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder. To the extent permitted by law, compensation and reimbursement to the Trustee shall not be limited by any statutory provisions that limit compensation to trustees of express trusts.

**Section 5.02. Removal of Trustee.** The City [, with the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] may at any time, provided no event of default has occurred and is continuing, or the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, at any time, may by Written Request of the City, for any reason, remove the Trustee and any successor thereto, and shall thereupon appoint a successor or successors thereto, but any such successor shall be a bank, national banking association, or trust company in good standing located in or incorporated under the laws of the State, duly authorized to exercise trust powers, having (or be a member of a bank holding company system with a bank holding company that has) a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000, shall be subject to supervision or examination by federal or state banking authority[, and shall otherwise be acceptable to the Bond Insurer; provided that the Bond Insurer, in its sole discretion, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, may remove the Trustee]. If such bank, national banking association, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then, for the purposes of this Section 5.02, the combined capital and surplus of such bank, national banking association, or trust company shall be deemed to be its combined capital and surplus set forth in its most recent report of condition so published. Any removal of the Trustee shall become effective upon acceptance of appointment by the successor Trustee.

**Section 5.03. Resignation of Trustee.** The Trustee or any successor may at any time resign by giving not less than sixty (60) days' prior written notice to the Authority [, the Bond Insurer,] and the City and by giving mailed notice to the Owners of its intention to resign and of the proposed date of resignation.

Upon receiving such notice of resignation, the City [, with the prior written approval of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event the City fails to appoint a successor Trustee within sixty (60) days following receipt of such written notice of resignation, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor. Any resignation of the Trustee shall become effective upon acceptance of appointment by the successor Trustee.

Any successor Trustee approved by the City [, the Bond Insurer,] or any court shall satisfy the qualifications set forth in Section 5.02 hereof.

**Section 5.04. Merger or Consolidation.** 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 such company is eligible under Section 5.02 hereof), shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

**Section 5.05. Protection and Rights of the Trustee.** The Trustee shall, prior to an event of default, and after the curing or waiving of all events of default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement. The Trustee shall, during the existence of any event of default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Trust Agreement and the Trustee shall use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. The Trustee shall be protected and shall incur no liability in acting upon or processing in good faith any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition, or other paper or document that it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trustee shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may consult with counsel, who may or may not be counsel to the Authority or the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith reliance thereon.

[Notwithstanding any other provision of this Trust Agreement, in determining whether the rights of the Owners will be adversely affected by any action taken pursuant to the terms and provisions of this Trust Agreement, the Trustee shall consider the effect on the Owners as if there were no Bond Insurance Policy.]

Subject to Section 8.03(c) hereof, the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or relating to the exercise of any trust or power conferred upon the Trustee under this Trust Agreement.

Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder.

Whenever in the administration of its duties under this Trust Agreement 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) shall be deemed to be conclusively proved and established by a Certificate of the Authority or Certificate of the City and such certificate shall be full warranty to

the Trustee for any action taken or suffered under the provisions of this Trust Agreement in good faith reliance thereon, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

The Trustee may become an Owner or a pledgee of any Bonds with the same rights it would have if it were not the Trustee; may acquire and dispose of bonds or other evidences of indebtedness of the Authority and enforce its rights as owner thereof to the same extent as if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

The recitals, statements, and representations by the Authority or the City contained in this Trust Agreement or in the Bonds shall be taken and construed as made by and on the part of the Authority or the City, as applicable, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any such recital, statement, or representation. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, shall not be liable for the acts or omissions of such attorneys, agents, or receivers appointed with due care, and shall be entitled to advice of counsel concerning all matters of trust and concerning its duties hereunder.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder or in the exercise of any of its rights or powers if the repayment of such funds, or adequate indemnity against such risk or liability, is not reasonably assured to it.

The Trustee agrees to accept and act upon facsimile transmission of written instructions or directions pursuant to this Trust Agreement, provided, however, that (i) subsequent to such facsimile transmission of written instructions or directions the Trustee shall forthwith receive the originally executed instructions or directions and (ii) such originally executed instructions or directions shall be signed by a City Representative or an Authority Representative, as applicable.

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 2009 Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrence beyond the control of the Trustee.

The Trustee shall have no responsibility or liability with respect to any information, statements, or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

**Section 5.06. Indemnity; Limited Liability of the Trustee.**

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority or the City, as applicable, and the Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the validity or sufficiency of this Trust Agreement, the Lease, or of the Bonds, and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee or and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in aggregate amount of Bonds then Outstanding.

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

(c) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Trust Agreement, except for actions arising from the negligence or intentional misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(d) The Trustee shall not be deemed to have knowledge of any event of default hereunder, except with respect to defaults described in Section 8.01(a) hereof pertaining to defaults under subsections (i) and (ii) of Section 12(a) of the Lease, unless and until it shall have actual knowledge thereof, or shall have received written notice thereof at the Principal Office of the Trustee. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an event of default hereunder or thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

(e) The Authority further covenants and agrees to indemnify and save the Trustee and its officers, directors, agents, and employees, harmless against any loss, expense, and liabilities that it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the reasonable costs and expenses of defending against any claim of liability, but excluding all losses, expenses, and liabilities that are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents, or employees. The obligations

of the Authority under this Section shall survive the resignation or removal of the Trustee or the defeasance of the Bonds under this Trust Agreement.

**Section 5.07. Trustee to Act as Set Forth Herein.** The Trustee has the power to receive, to hold in accordance with the terms hereof, and to disburse the money to be paid pursuant to the Lease and this Trust Agreement. The Trustee has no power to vary, alter, or substitute the Lease or the corpus of any trust created hereby or pursuant to the Lease or this Trust Agreement at any time.

**Section 5.08. Paying Agents.** The Trustee is hereby appointed as paying agent for the Bonds. The Trustee, upon written consent of the Authority [and the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy], may appoint such other paying agents with respect to the Bonds as it may deem advisable. Any paying agent appointed shall be a bank, national banking association, or trust company, having a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000 and shall be subject to supervision by federal or state banking authorities.

**Section 5.09. Appointment of Co-Trustee or Agent.** It is the purpose of this Trust Agreement that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Trust Agreement, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action that may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 5.09 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest, and lien expressed or intended by this Trust Agreement to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee, but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights, and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

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

In addition to the appointment of a co-trustee hereunder, the Trustee may, at the expense and with the prior written consent of the Authority, appoint any agent of the Trustee in Los Angeles, California, Minneapolis, Minnesota, or at such other location as may be designated by the Trustee and approved by the Authority, for the purpose of administering the transfers or exchanges of Bonds or for the performance of any other responsibilities of the Trustee hereunder.

## ARTICLE VI

### AMENDMENTS

#### Section 6.01. Amendments to Trust Agreement.

(a) Except as set forth in Section 6.01(b) hereof, this Trust Agreement may be amended only in writing by agreement among the City, the Authority, and the Trustee, with [the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, and] the approval in writing by the Owners of a majority in aggregate principal amount of Bonds then Outstanding. In addition, no such modification or amendment shall (i) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest, or redemption premium (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (ii) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (iii) without its written consent thereto, modify any of the rights or obligations of the Trustee.

(b) Notwithstanding Section 6.01(a) hereof, this Trust Agreement and the rights and obligations provided hereby may also be modified or amended at any time without the consent of any Owners upon the written agreement of the City, the Authority, and the Trustee, with written notice to the Certificate Insurer, but only (1) for the purpose of curing any ambiguity or omission relating thereto, or of curing, correcting, or supplementing any defective provision contained in this Trust Agreement, (2) in regard to questions arising under this Trust Agreement that the City, the Authority, and the Trustee may deem necessary or desirable and not inconsistent with this Trust Agreement and that shall not adversely affect the interests of the Owners of the Bonds then Outstanding, (3) to qualify this Trust Agreement under the Trust Indenture Act of 1939, as amended, or corresponding provisions of Federal laws from time to time in effect, or (4) for any other reason, provided such modification or amendment does not adversely affect the interests of the Owners of the Bonds then Outstanding; provided that the City, the Authority, and the Trustee may rely in entering into any such amendment or modification hereof upon the opinion of Independent Counsel stating that the requirements of this sentence have been met with respect to such amendment or modification. No amendment shall impair the right of any Owner to receive principal and interest in accordance with the terms of such Owner's Bond.

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

(d) [The Bond Insurer reserves the right to charge the Authority or the City a fee for any consent or amendment to this Trust Agreement while the Bond Insurance Policy is outstanding, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy.]

**Section 6.02. Amendments to Lease or Property Lease.** The Lease or the Property Lease may be amended in writing by agreement between the Authority and the City [, with the consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] and the consent of the Trustee, but no such amendment shall become effective as to the Owners unless and until approved in writing by the Owners of a majority in aggregate principal amount of Bonds then Outstanding. Notwithstanding the foregoing, the Lease or the Property Lease and the rights and obligations provided thereby may also be modified or amended at any time, [with the consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] without the consent of any Owners, upon the written agreement of the City and the Authority, but only (1) for the purpose of curing any ambiguity or omission relating thereto, or of curing, correcting, or supplementing any defective provision contained in the Lease or the Property Lease, (2) in regard to questions arising under the Lease or the Property Lease that the City and the Authority may deem necessary or desirable and not inconsistent with the Lease or the Property Lease, as applicable, and that shall not adversely affect the interests of the Owners of the Bonds then Outstanding, (3) to effect any substitution of the Property or any portion thereof in accordance with Section 7 of the Lease or Section 7 of the Property Lease, or (4) for any other reason, provided such modification or amendment does not adversely affect the interests of the Owners of the Bonds then Outstanding; provided that the City and the Authority may rely in entering into any such amendment or modification thereof, upon the opinion of Independent Counsel stating that the requirements of this sentence have been met with respect to such amendment or modification. No such amendment shall (i) reduce the percentage of Bonds required for the written consent to any such amendment or modification, (ii) without its written consent thereto, modify any of the rights or obligations of the Trustee, or (iii) impair the right of any Owner to receive principal and interest in accordance with the terms of such Owner's Bond.

**Section 6.03. Amendment by Mutual Consent; Notice.** The provisions of this Article shall not prevent any Owner [, with the consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds. Copies of any modification or amendment to this Trust Agreement, the Property Lease, or the Lease shall be also sent to S&P at least fifteen (15) days prior to the effective date thereof.

## ARTICLE VII

### COVENANTS

**Section 7.01. Authority and City to Perform Pursuant to Property Lease and Lease.** The Authority and the City covenant and agree with the Owners to perform all obligations and duties imposed under the Lease and the Property Lease.

**Section 7.02. Extension of Payment of Bonds.** The Authority shall not directly or indirectly extend the dates upon which the Base Rental payments are required to be paid or prepaid, or the time of payment of interest with respect thereto. Nothing herein shall be deemed to limit the right of the Authority or the City to issue any securities for the purpose of providing funds for the redemption of the Bonds and such issuance shall not be deemed to constitute an extension of the maturity of the Bonds.

**Section 7.03. Offices for Servicing Bonds.** The Authority (itself or via one or more agents) shall at all times maintain one or more offices or agencies where Bonds may be presented for payment, and shall at all times maintain one or more agencies where Bonds may be presented for registration of transfer or exchange, and where notices, demands, and other documents may be served upon the Authority in respect of the Bonds.

**Section 7.04. Access to Books and Records.** The Trustee shall, at all reasonable times and upon reasonable notice, have access to those books and records of the Authority and the City that may be reasonably required by the Trustee to fulfill its duties and obligations hereunder.

**Section 7.05. General.** The Authority and the City shall do and perform or cause to be done and performed all respective acts and things required to be done or performed by or on behalf of the Authority or the City, respectively, under the provisions of this Trust Agreement.

The Authority and the City certify that upon the date of execution and delivery of any of the Bonds, all things, conditions, and acts required by the Constitution and laws of the State and this Trust Agreement to exist, to have happened, and to have been performed precedent to and in the execution and the delivery of such Bonds do exist, have happened, and have been performed in due time, form, and manner, as required by law.

**Section 7.06. Tax Matters.** Each of the Authority and the City covenants as follows:

(a) **Private Activity.** Neither the Authority nor the City shall take any action or refrain from taking any action or make any use of the proceeds of the Bonds or of any other moneys or property that would cause any Bond to be a "private activity bond" within the meaning of Section 141 of the Code.

(b) **Arbitrage.** Neither the Authority nor the City shall make any use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action that will cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code.

(c) **Federal Guaranty.** Neither the Authority nor the City shall make any use of the proceeds of the Bonds or take or omit to take any action that would cause any Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) **Information Reporting.** The Authority and the City shall take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

(e) **Hedge Bonds.** Neither the Authority nor the City shall make any use of the proceeds of the Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the Authority or the City, as applicable, takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code.

(f) **Miscellaneous.** Neither the Authority nor the City shall take any action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed by the Authority and the City in connection with the issuance of the Bonds and each shall comply with the covenants and requirements stated therein and incorporated by reference herein.

(g) **Taxable Bonds.** This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the Authority or the City from issuing, bonds, the interest on which has been determined by the Authority or the City, as applicable, to be subject to federal income taxation.

**Section 7.07. Performance.** Each of the Authority and the City shall faithfully observe all covenants and other provisions contained in this Trust Agreement, in each Bond issued and delivered hereunder, and in the Lease and the Property Lease. Except as provided herein and in the Lease, neither the Authority nor the City shall not agree to any amendment to the Lease that would either lengthen the term thereof or reduce the amount of Base Rental or Additional Rental payable thereunder, or change the time or times of payment of such Base Rental or Additional Rental, or agree to any other amendment detrimental to the rights of the Owners [or the Bond Insurer].

**Section 7.08. Prosecution and Defense of Suits.** The Authority and the City shall promptly take such action as may be necessary to cure any defect in the title to the Property or any part thereof, whether now existing or hereafter occurring, and shall prosecute and defend all such suits, actions, and all other proceedings as may be appropriate for such purpose.

**Section 7.09. Further Assurances.** The Authority and the City will make, execute, and deliver any and all such further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement, and for the better assuring and confirming to the Owners [and the Bond Insurer] the rights and benefits provided herein.

**Section 7.10. Street Access.** So long as Bonds are Outstanding, the Authority and the City shall take or cause to be taken all necessary action to assure adequate street access to and from all Components of the Property.

**Section 7.11. Continuing Disclosure.** The Authority and the Trustee hereby covenant and agree that they shall each comply with and carry out their respective obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of this Trust Agreement, failure of the Authority or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder; however, the Trustee may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall), or any Owner or Beneficial Owner, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority or the Trustee, as the case may be, to comply with its obligations under this Section. For purposes of this Section, “**Beneficial Owner**” means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

**Section 7.12. Observance of Laws and Regulations .** The Authority, the City, and the Trustee will faithfully comply with, keep, observe, and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board, or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right, or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights, and privileges shall be maintained and preserved and shall not become abandoned, forfeited, or in any manner impaired.

**Section 7.13. Other Liens.** So long as any Bonds are Outstanding, none of the Trustee, the Authority, or the City shall create or suffer to be created any pledge of or lien on the amounts on deposit in any of the funds or accounts created hereunder, other than the pledge and lien hereof. The City, the Authority, and the Trustee shall not encumber the Property other than in accordance with the Property Lease, the Lease Agreement, and this Trust Agreement.

**Section 7.14. Recordation.** The City will record, or cause to be recorded, with the appropriate county recorder, the Lease Agreement and the Property Lease, or memoranda thereof.

## **ARTICLE VIII**

### **EVENTS OF DEFAULT**

**Section 8.01. Events of Default Defined.** Each of the following shall be an “**event of default**” under this Trust Agreement and the terms “**events of default**” and “**default**” shall mean, whenever they are used in this Trust Agreement, any one or more of the following events:

(a) An event of default shall have occurred under Section 12(a) of the Lease [; provided, however, no effect shall be given to payments made under the Bond Insurance Policy in determining whether an event of default exists under this Section 8.01(a)].

(b) Failure by the Authority or the City to observe and perform any covenant, condition, or agreement on its part to be observed or performed under this Trust Agreement or the Lease, other than such failure as may constitute an event of default under clause (a) of this Section 8.01, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Authority and the City by the Trustee [or the Bond Insurer] or to the Authority, the City, and the Trustee [by the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, or] by the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding, or if the failure stated in the notice cannot be corrected within such 30-day period, then the grace period under this Section 8.01(b) [EITHER:] [may be extended for sixty (60) days or any additional period if the City and the Authority are working diligently to remedy such default] [OR] [shall not extend for more than sixty (60) days without the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy].

**Section 8.02. Notice of Events of Default.** In the event that an event of default has occurred and is continuing hereunder, the Trustee shall give notice of such default to the Owners. Such notice shall state that an event of default has occurred and is continuing hereunder and shall provide a brief description of such default. The Trustee in its discretion may withhold notice if it deems it in the best interests of the Owners. The notice provided for in this Section 8.02 shall be given by first-class mail, postage prepaid, to the Owners within thirty (30) days of such occurrence of default.

### **Section 8.03. Remedies on Default.**

(a) Upon the occurrence and continuance of any event of default specified hereunder, the Trustee may [, upon the written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, and shall, at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] proceed to exercise the remedies set forth in Sections 12(b) and 12(c) of the Lease or available to the Trustee hereunder. [Upon the occurrence and continuance of an event of default under the Trust Agreement that would require the Bond Insurer to make payments under the Bond Insurance Policy, the Bond Insurer and its designated agent shall be provided with access to inspect and copy the Bond Register held by the Trustee.]

(b) In addition to the remedies set forth in Section 8.03(a) hereof and upon the occurrence and continuance of any event of default specified in Section 8.01 hereof, the Trustee may, [upon the written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] and shall, [at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] after receiving indemnification satisfactory to it, proceed to protect and enforce the rights vested in Owners by this Trust Agreement by appropriate judicial proceedings

or proceedings as the Trustee [, with the consent or at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] deems most effectual. The provisions of this Trust Agreement and all resolutions or orders in the proceedings for the issuance of the Bonds shall constitute a contract with the Owners of the Bonds, and such contract [with the consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] may be enforced by any Owner by mandamus, injunction, or other applicable legal action, suit, proceeding, or other remedy.

(c) Upon an event of default and prior to the curing thereof, the Trustee shall exercise the rights and remedies vested in it by this Trust Agreement with the same degree of care and skill as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(d) [Owners' directions or institution of remedies upon default under this Section 8.03 shall be subject to the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy. The Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, acting alone, shall have the right to direct all remedies upon an event of default. Further, no waiver of an event of default shall be granted without obtaining the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy.]

**Section 8.04. Collection of Base Rental Payments.** The Trustee [, with the consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] shall take any appropriate action to cause the City to pay any Base Rental payment not paid when due, upon written request and authorization by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding and unpaid, and upon being satisfactorily indemnified against any expense and liability with respect thereto and receiving payment for its fees and expenses.

**Section 8.05. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Trust Agreement and the Lease, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee or the Owners to exercise any remedy reserved to it or them, it shall not be necessary to give any notice other than such notice as may be required in this Article VIII or by law. [The Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, shall be entitled to request the Trustee to intervene in judicial proceedings that affect the Bonds or security therefor.]

Remedies provided in this Trust Agreement shall be cumulative with respect to the Trustee [, the Bond Insurer,] and the Owners. If any remedial action is discontinued or abandoned, the Authority, the City, the Trustee, [the Bond Insurer,] and the Owners shall be restored to their former positions.

**Section 8.06. No Additional Waiver Implied by One Waiver.** In the event any provision contained in this Trust Agreement should be breached by a party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**Section 8.07. Action by Owners.** In the event the Trustee fails to take any action to eliminate an event of default under Section 12 of the Lease or hereunder, subject to Section 8.03(d) hereof, the Owners of a majority in aggregate principal amount of Bonds then Outstanding may institute any suit, action, mandamus, or other proceeding in equity or at law for the protection or enforcement of any right under the Lease and this Trust Agreement, but only if such Owners shall have first made written request of the Trustee after the right to exercise such powers or right of action shall have arisen, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted therein or otherwise granted by law or to institute such action, suit, or proceeding in its name, and unless, also, the Trustee shall have been offered reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

**Section 8.08. Application of Moneys.** Any moneys received by the Trustee pursuant to this Article VIII, together with any moneys that upon the occurrence of an event of default hereunder are held by the Trustee in any of the funds hereunder (other than the Rebate Fund and other than moneys held for Bonds not presented for payment) shall, after payment of reasonable fees and expenses of the Trustee, and the reasonable fees and expenses of its counsel pertaining to the performance of its powers and duties under this Trust Agreement, be applied to the payment of the whole amount then owing and unpaid with respect to the Outstanding Bonds for principal, premium, if any, and interest, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid on the Bonds, to the payment of the principal, premium, if any, and interest then due and unpaid upon the Outstanding Bonds without preference or priority of any of principal, premium, or interest over the others or of any installment of interest, or of any Outstanding Bond over any other Outstanding Bond, ratably, according to the amounts due respectively for principal, premium, and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective amounts of interest specified in the Outstanding Bonds.

Whenever moneys are to be applied pursuant to the provisions of this Section 8.08, such moneys shall be applied at such times, and from time to time, as the Trustee [, with the consent or at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The Trustee shall give, by mailing by first class mail as it may deem appropriate, such notice of the deposit with it of any such moneys.

## ARTICLE IX

### LIMITATION OF LIABILITY

#### **Section 9.01. No Liability of Authority or City for Trustee Performance.**

Neither the Authority nor the City shall have any obligation or liability to any of the other parties or to the Owners with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement, including the distribution of principal of and interest on the Bonds to the Owners.

#### **Section 9.02. No Liability of Trustee for Base Rental Payments by City.**

Except as provided herein, the Trustee shall not have any obligation or liability to the Owners with respect to the payment of the Base Rental by the City when due, or with respect to the performance by the City of any other covenant made by it in the Lease.

**Section 9.03. No Liability of Authority or City Except as Stated.** Except for the performance by the Authority of its obligations and duties as expressly set forth in the Lease and this Trust Agreement, the Authority shall have no obligation or liability to the Trustee or the Owners, including, without limitation, the Authority shall have no liability with respect to the payment when due of Base Rental and Additional Rental by the City. Except for (i) the payment of Base Rental and Additional Rental when due in accordance with the terms of the Lease, and (ii) the performance by the City of its obligations and duties as expressly set forth in the Lease and this Trust Agreement, the City shall have no obligation or liability to the Trustee or the Owners.

**Section 9.04. Limited Liability of Trustee.** The Trustee shall not have any obligation or responsibility for providing information to the Owners concerning the investment quality of the Bonds, for the sufficiency or collection of any Base Rental, or for the actions or representations of any other party to this Trust Agreement. The Trustee shall not have any obligation or liability to any of the other parties hereto or to the Owners with respect to the failure or refusal of any other party hereto to perform any covenant or agreement made by it under this Trust Agreement or the Lease, but shall be responsible solely for the performance of the duties expressly imposed upon it hereunder. The recitals of facts, covenants, and agreements contained herein and in the Bonds shall be taken as statements, covenants, and agreements of the Authority or the City, as applicable, and the Trustee assumes no responsibility for the correctness of the same and makes no representation as to the validity or sufficiency of this Trust Agreement, the Lease, or the Bonds, or as to the value of or title to the Property, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations herein assigned to or imposed upon it. The provisions of this paragraph shall survive the resignation or removal of the Trustee or the defeasance of the Bonds.

**Section 9.05. Limitation of Rights.** Nothing in this Trust Agreement or in the Bonds expressed or implied is intended or shall be construed to give any person other than the City, the Trustee, the Authority, [the Bond Insurer,] and the Owners any legal or equitable right, remedy, or claim under or in respect of this Trust Agreement or any covenant, condition, or provision hereof; and all such covenants, conditions, and provisions are and shall be for the sole

and exclusive benefit of the City, the Trustee, the Authority, [the Bond Insurer,] and such Owners.

## ARTICLE X

### MISCELLANEOUS

#### Section 10.01. Defeasance.

(a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of any Outstanding Bonds the interest thereon, the principal thereof, and the redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, then the Owners of such Bonds shall cease to be entitled to the pledge of the Pledged Assets as provided herein, and all agreements, covenants, and other obligations of the Authority to the Owners of such Bonds hereunder shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto that are not required for the payment of the interest on, principal of, and redemption premiums, if any, on such Bonds.

Subject to the provisions of the above paragraph, when any of the Bonds shall have been paid and if, at the time of such payment, the Authority and the City, as applicable, shall have kept, performed, and observed all the covenants and promises in such Bonds and in this Trust Agreement required or contemplated to be kept, performed, and observed by the Authority or the City, as applicable, or on its part on or prior to that time, then this Trust Agreement shall be considered to have been discharged in respect of such Bonds and such Bonds shall cease to be entitled to the lien of this Trust Agreement and such lien and all covenants, agreements, and other obligations of the Authority and the City hereunder shall cease, terminate, become void, and be completely discharged as to such Bonds.

Notwithstanding the satisfaction and discharge of this Trust Agreement or the discharge of this Trust Agreement in respect of any Bonds, those provisions of this Trust Agreement relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost, or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee and the Owners of the Bonds and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of, redemption premium, if any, on, and interest on the Bonds, to pay to the Owners of Bonds the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of this Trust Agreement or the discharge of this Trust Agreement in respect of any Bonds, those provisions of this Trust Agreement contained in Section 5.01 hereof relating to the compensation of the Trustee shall remain in effect and shall be binding upon the Trustee and the Authority.

[Notwithstanding anything herein to the contrary, in the event that the principal or interest due with respect to the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied, and not be considered paid by the Authority, and the assignment and pledge of the Pledged Assets and all covenants, agreements, and other obligations of the Authority to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.]

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 4.03 hereof, a Redemption Notice for such Bonds on said redemption date, such Redemption Notice to be given in accordance with Section 4.03 hereof, (2) there shall have been deposited with the Trustee either (A) money in an amount that shall be sufficient or (B) direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligations or guaranteed securities the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or pre-refunded municipal bonds rated AAA by S&P and Aaa by Moody's; provided, however, that, if such pre-refunded municipal bonds are rated only by S&P, then such bonds shall have been pre-refunded with cash, direct United States or United States guaranteed obligations, or AAA rated pre-refunded municipal obligations (or any combination thereof) [(or any such other obligations or securities as shall be approved in writing by the Bond Insurer)] the interest on and principal of which when paid will provide money that, together with the money, if any, deposited with the Trustee at the same time, shall, as verified by an independent certified public accountant, be sufficient to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owners of such Bonds [and the Bond Insurer] that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds, and (4) in the case of Bonds subject to the book-entry system, the Trustee shall give notice to the Depository of the redemption of all or part of such Bonds on the date proceeds or other funds are deposited in escrow with respect to Bonds. Nothing in this Section 10.01(b) shall preclude redemptions pursuant to Section 4.01 hereof.

(c) After the payment of all the interest of and principal on all Outstanding Bonds as provided in this Section, the Trustee shall execute and deliver to the City and the Authority all such instruments as may be necessary or desirable to evidence the discharge and satisfaction of the Trust Agreement, and the Trustee shall pay over or deliver to the Authority all moneys or securities held by it pursuant hereto that are not required for the payment of the



[If to the Bond Insurer: Assured Guaranty Municipal Corp.  
31 West 52nd Street  
New York, New York 10019  
Attention: \_\_\_\_\_  
Fax: \_\_\_\_\_

If to S&P: Standard & Poor's Ratings Services  
55 Water Street, 38<sup>th</sup> Floor  
New York, NY 10041  
Attention: Public Finance Surveillance Group  
Fax: (212) 438-2157

If to any Owner: to its address as indicated in the Bond Register

or to such other address or addresses as any such person shall have designated to the others by notice given in accordance with the provisions of this Section 10.03.

The Authority shall cause to be given to S&P notice of any substitution of the Trustee, any material change in this Trust Agreement or the Lease, and any redemption or defeasance of any or all of the Outstanding Bonds.

[Any notice that is required to be given to an Owner or to the Trustee pursuant to this Trust Agreement shall also be provided to the Bond Insurer.]

**Section 10.04. Governing Law.** This Trust Agreement shall be construed and governed in accordance with the laws of the State.

**Section 10.05. Partial Invalidity.** Any provision of this Trust Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Trust Agreement.

**Section 10.06. Binding Effect; Successors; Parties Interested Herein.** This Trust Agreement shall be binding upon and shall inure to the benefit of the parties hereto and the Owners and their respective successors and assigns. Whenever in this Trust Agreement any party is named or referred to, such reference shall be deemed to include such party's successors or assigns, and all covenants and agreements contained in this Trust Agreement by or on behalf of any party hereto shall bind and inure to the benefit of such party's successors and assigns whether so expressed or not.

Nothing in this Trust Agreement, expressed or implied, is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Authority, the City, the Trustee, [the Bond Insurer,] and the Owners of the Bonds, any right, remedy, or claim under or by reason of this Trust Agreement or any covenant, condition, or stipulation hereof, and all covenants, stipulations, promises, and agreements in this Trust Agreement contained by and on behalf of the Authority or the City shall be for the sole and exclusive benefit of the Authority, the City, the Trustee, [the Bond Insurer,] and the Owners of the Bonds.

**Section 10.07. Execution in Counterparts.** This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

**Section 10.08. Headings.** The headings or titles of the several Articles and Sections hereof, and the table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Trust Agreement. Unless the context requires otherwise, all references herein to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections, or subdivisions of this Trust Agreement and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder," and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision, or clause hereof.

**Section 10.09. Disqualified Bonds.** In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent, or waiver under this Trust Agreement, Bonds that are owned or held by or for the account of the Authority or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, however, 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 that the Trustee knows to be so owned or held shall be disregarded. Upon request of the Trustee, the City or the Authority, as applicable, 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 10.10. Waiver of Personal Liability.** Notwithstanding anything contained herein to the contrary, no member, officer, or employee of the Authority or the City shall be individually or personally liable for the payment of any moneys, including without limitation, the interest of or principal on the Bonds, but nothing contained herein shall relieve any member, officer, or employee of the Authority or the City from the performance of any official duty provided by any applicable provisions of law or by the Property Lease, the Lease, or hereby.

## ARTICLE XI

### PROVISIONS RELATING TO THE BOND INSURER AND

### THE BOND INSURANCE POLICY

**Section 11.01. Payment Procedure Pursuant to the Bond Insurance Policy.**  
[TO COME, IF APPLICABLE.]

**Section 11.02. Bond Insurer as Third-Party Beneficiary.** [To the extent that this Trust Agreement confers upon or gives or grants to the Bond Insurer any right, remedy, or claim under or by reason of this Trust Agreement, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given, or granted hereunder.]

**Section 11.03. Consent of Bond Insurer in the Event of Insolvency.** [Any reorganization or liquidation plan with respect to the Authority or the City must be acceptable to the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners who hold the Bond Insurer-insured Bonds absent a default by the Bond Insurer under the Bond Insurance Policy insuring such Bonds.]

**Section 11.04. Notices/Information to be Given to Bond Insurer.** [TO COME, IF APPLICABLE.]

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement effective the date first above written.

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Trustee

By \_\_\_\_\_  
Vice President

CITY OF OXNARD FINANCING AUTHORITY

By \_\_\_\_\_  
Dr. Thomas E. Holden, Chairman

ATTEST:

By \_\_\_\_\_  
Daniel Martinez, Secretary

CITY OF OXNARD

By \_\_\_\_\_  
Dr. Thomas E. Holden, Mayor

ATTEST:

By \_\_\_\_\_  
Daniel Martinez, City Clerk

APPROVED AS TO FORM:

By \_\_\_\_\_  
Alan Holmberg,  
City Attorney and  
Authority General Counsel

APPROVED AS TO CONTENT:

By \_\_\_\_\_  
James Cameron,  
City Chief Financial Officer and  
Authority Controller

EXHIBIT A

FORM OF BOND

CITY OF OXNARD FINANCING AUTHORITY  
LEASE REVENUE REFUNDING BONDS, SERIES 2011

No.: \_\_\_\_\_ \$ \_\_\_\_\_

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
____%	June 1, 20__	June __, 2011	

REGISTERED OWNER:

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

THE CITY OF OXNARD FINANCING AUTHORITY, a public body, corporate and politic, organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the registered owner specified above, or registered assigns, on the maturity date identified above, the principal amount identified above.

This Bond has been executed by the Authority and authenticated and delivered by the Trustee pursuant to the terms of the Trust Agreement, dated as of June 1, 2011 (the "Trust Agreement"), by and among the Authority, the City of Oxnard (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee"). This Bond is one of a duly authorized issue of bonds of the Authority designated as its "City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2011" (the "Bonds"), issued in the aggregate principal amount of \$[PRINCIPAL AMOUNT]. The Bonds are issued under and are equally and ratably secured and entitled to the protection given by the Trust Agreement and the provisions of the Marks-Roos Local Bond Pooling Act of 1985 of the State of California, Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended and supplemented. Reference is hereby made to the Lease, as defined below, and the Trust Agreement (copies of which are on file at the aforesaid offices of the Trustee) for a description of the terms on which the Bonds are delivered, 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 City under the Lease, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. Capitalized terms used but not defined in this Bond shall have the respective meanings assigned to such terms in the Trust Agreement.

Interest with respect to this Bond shall be payable on each June 1 and December 1 commencing on December 1, 2011 (each, an "Interest Payment Date"). Interest with respect to this Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof, unless such date of authentication is after a Record Date (as hereinafter defined) and on or prior to the immediately following Interest Payment Date, in which event

interest with respect hereto shall be payable from such following Interest Payment Date or, unless such date of authentication is on or prior to the first Record Date, in which event interest shall be payable from June \_\_, 2011; provided, however, that if at the time of authentication of this Bond, interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available. The term "Record Date" means the close of business on the fifteenth day of the month immediately preceding any Interest Payment Date.

The principal of this Bond shall be payable, subject to prior optional and mandatory redemption, including, without limitation, mandatory sinking account payments payable with respect to the Bonds on the Maturity Date (each a "Principal Payment Date"). The interest on the Bonds shall be payable on each Interest Payment Date by check or draft mailed by the Trustee to the respective Owners of the Bonds as of the Record Date for such Interest Payment Date at their addresses shown on the books required to be kept by the Trustee pursuant to the provisions of the Trust Agreement. Payments of defaulted interest with respect to any Bond shall be paid by check or draft to the Owner as of a special record date to be fixed by the Trustee, notice of which special record date shall be mailed to the Owner of the Bond not less than ten (10) days prior thereto. The principal of and premium, if any, on the Bonds shall be payable upon presentation and surrender thereof at maturity or on redemption prior thereto at the principal corporate trust office of the Trustee in Los Angeles, California, Minneapolis, Minnesota, or at such other location as may be designated by the Trustee.

Interest with respect to this Bond shall be payable on each Interest Payment Date to the Owner hereof as of the close of business on the Record Date. Interest shall be paid by check or draft of the Trustee, sent to the Owner by first-class mail, postage prepaid, at his address as it appears on the Bond Register; provided, however, that the Owner of \$1,000,000 or more in aggregate principal amount represented by the Bonds may request in writing that the Trustee pay the interest represented by such Bonds by wire transfer and the Trustee shall comply with such request for all Interest Payment Dates following the fifteenth (15th) day after receipt of such request. Payments of defaulted interest shall be paid by check or draft to the Owners as of a special record date to be fixed by the Trustee, notice of which special record date shall be mailed to the Owners not less than ten (10) days prior thereto.

Interest on the Bonds shall be computed on the basis of a 360 day year of twelve 30 day months. Payment shall be made on each Interest Payment Date for unpaid interest accrued to but not including such Interest Payment Date.

The Bonds are authorized to be executed and delivered in the form of fully registered Bonds in denominations of \$5,000 or any integral multiple thereof (each an "Authorized Denomination").

The City and the Authority have entered into a Master Lease and Option to Purchase, dated as of June 1, 2011 (the "Lease"), for the purpose of leasing certain facilities (the "Property") in connection with the performance of the City's governmental functions. The Authority has assigned certain of its right, title, and interest in and to the Lease, including the right to receive Base Rental payments made thereunder, to the Trustee, pursuant to the Trust Agreement.

The City is required under the Lease to pay Base Rental from any source of legally available funds. The City has covenanted in the Lease to make the necessary annual appropriations for such purpose. Base Rental is required to be deposited with the Trustee five (5) Business Days prior to each Interest Payment Date, for application to the Debt Service Fund established pursuant to the Trust Agreement. In the event any date of deposit is not a Business Day, such deposit shall be made on the next succeeding Business Day. The Authority has pledged all amounts on deposit from time to time in the funds and accounts established pursuant to the Trust Agreement (other than in the Rebate Fund) to the payment of all Bonds.

The obligation of the City to pay Base Rental does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay Base Rental does not constitute an indebtedness of the City, the State, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction. The City's obligation to pay Base Rental shall be abated during any period in which, by reason of material damage, destruction, condemnation, or title defect, there is substantial interference with the use and possession of the Property or any portion thereof. Failure of the City to pay Base Rental during any such period of abatement shall not constitute a default under the Lease, the Trust Agreement or this Bond.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the Owners of a majority in aggregate principal amount of the Bonds then outstanding. The Trust Agreement may be amended without such consent under certain circumstances; provided that the interests of the Owners of the Bonds are not adversely affected. No amendment shall impair the right of any Owner to receive in any case principal and interest in accordance with the terms of such Owner's Bond.

This Bond is transferable by the Owner thereof, in person or by his attorney duly authorized in writing, at the principal corporate trust office of the Trustee in Los Angeles, California, Minneapolis, Minnesota, or at such other location as may be designated by the Trustee, on the books required to be kept by the Trustee pursuant to the provisions of the Trust Agreement, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Trust Agreement upon surrender of this Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee. The Trustee may treat the Owner of any Bond as the absolute owner of such Bond for all purposes, whether or not such Bond shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal represented by such Bond shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge the liability represented by such Bond to the extent of the sum or sums so paid.

Whenever this Bond shall be surrendered for transfer or exchange, the Trustee shall execute and deliver a new Bond or Bonds representing the same principal amount. The Trustee shall not be required to register the transfer or exchange of any Bond during a period beginning at the opening of business fifteen (15) days before the date such Bonds are selected for

redemption and the date any Bonds are to be redeemed or any Bond selected for redemption, except for the portion of any Bond redeemed only in part that remains Outstanding.

The Bonds maturing on or before June 1, 20\_\_, are not subject to optional redemption prior to their stated Principal Payment Dates. The Bonds maturing on or after June 1, 20\_\_, are subject to optional redemption prior to maturity on or after June 1, 20\_\_, at the option of the City, as a whole or in part on any Business Day, at a redemption price equal to the principal amount of Bonds to be redeemed, without premium, plus accrued but unpaid interest to the redemption date, from amounts deposited with the Trustee by the City in furtherance of the exercise of the City's option to purchase the Authority's right, title, and interest in the Property or a Component thereof in accordance with the Lease and from any other funds available therefor.

The Bonds are subject to extraordinary redemption prior to maturity in whole or in part on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest to the redemption date, without premium, in an amount equal to the proceeds of insurance or condemnation awards or other amounts deposited in the Debt Service Fund.

The Bonds are subject to extraordinary redemption prior to maturity in whole or in part on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest to the redemption date, without premium, in an amount determined as necessary by the City, after consultation with Independent Counsel, in order to maintain the exclusion from gross income of interest on the Bonds, in connection with any sale, lease, or other transfer of all or any portion of the 2009 Project or any use of all or any portion of the 2009 Project in the trade or business of any nongovernmental persons, from any available funds of the City deposited in the Debt Service Fund.

The Bonds maturing on June 1, 20\_\_, are subject to redemption prior to their stated Principal Payment Dates, in part, from Mandatory Sinking Account Payments, on the first Business Day of each June, commencing June 1, 20\_\_, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium. The principal amount of such Bonds to be so prepaid and the dates therefor shall be as follows:

<u>June 1</u> <u>of the Year</u>	<u>Principal</u> <u>Amount</u>
20__	\$ ____,000
20__	____,000
20__	____,000
20__	____,000

The Bonds maturing on June 1, 2036, are subject to redemption prior to their stated Principal Payment Dates, in part, from Mandatory Sinking Account Payments, on the first Business Day of each June, commencing June 1, 20\_\_, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium. The principal amount of such Bonds to be so prepaid and the dates therefor shall be as follows:

<u>June 1 of the Year</u>	<u>Principal Amount</u>
20__	\$ ____,000
20__	____,000
20__	____,000
2036	____,000

The amount of the Mandatory Sinking Account Payments shall be reduced proportionately in the event and to the extent of any and all other redemptions of Bonds.

Whenever less than all the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select the Bonds to be redeemed according to the provisions of the Trust Agreement, and the Trustee shall promptly notify the City and the Authority in writing of the numbers of the Bonds so selected for redemption on such date. For purposes of such selection, any Bond may be prepaid in part in Authorized Denominations.

Notice of any redemption shall be given to the respective Owners of Bonds designated for redemption at their addresses appearing on the registration books of the Trustee as of the close of business on the day before such notice is given. The Trustee shall give notice by first-class mail, postage prepaid, at least 30 days but not more than 60 days prior to the redemption date to such Owners. Such notice shall set forth, in the case of each Bond to be redeemed only in part, the portion of the principal thereof which is to be redeemed. Neither failure to receive such notice nor any defect in any notice so given shall affect the sufficiency of the proceedings for the redemption of such Bonds.

If this Bond is called for redemption and the principal amount of this Bond plus accrued interest due with respect hereto are duly provided therefor as specified in the Trust Agreement, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

The Trust Agreement provides that the occurrences of certain events constitute Events of Default. Subject to certain limitations, the Trustee or the Owners of not less than a majority in aggregate principal amount represented by the Bonds at the time Outstanding shall be entitled [, with the consent of the Bond Insurer,] to take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee.

The Trustee has no obligation or liability to the Owners to make payments of principal or interest with respect to the Bonds, except from amounts on deposit for such purposes with the Trustee. The Trustee's sole obligations are to administer for the benefit of the Owners the various funds and accounts established under the Trust Agreement and, to the extent provided in the Trust Agreement, to enforce the rights of the Authority under the Lease.

This Bond shall not be entitled to any benefit under the Trust Agreement or become valid for any purpose until it has been duly executed by the Authority and authenticated and delivered by the Trustee.

THE AUTHORITY AND THE CITY HAVE CERTIFIED, RECITED, AND DECLARED that all things, conditions, and acts required by the Constitution and laws of the State and the Trust Agreement to exist, to have happened, and to have been performed precedent to and in the execution and the delivery of this Bond, do exist, have happened, and have been performed in due time, form, and manner, as required by law.

IN WITNESS WHEREOF, the City of Oxnard Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman and attested to by the manual or facsimile signature of its Secretary, and has caused this Bond to be dated as of the dated date set forth above.

CITY OF OXNARD FINANCING AUTHORITY

By: \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION AND  
REGISTRATION.**

This is one of the Bonds described in the within mentioned Trust Agreement that has been authenticated and registered on \_\_\_\_\_.

**WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Trustee**

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

**[STATEMENT OF INSURANCE]**

**[TO COME, IF APPLICABLE.]**

[FORM OF ASSIGNMENT TO BONDS]

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

\_\_\_\_\_  
\_\_\_\_\_  
(name, address, and social security number or other identifying number) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney, to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

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

NOTE: The signature to this Assignment must correspond with the name as written upon the face of the bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: The signature must be guaranteed by an eligible guarantor institution.

**EXHIBIT B**

**WRITTEN REQUEST OF THE AUTHORITY  
FOR DISBURSEMENT OF COSTS OF ISSUANCE**

Wells Fargo Bank, National Association  
707 Wilshire Boulevard, 17<sup>th</sup> Floor  
Los Angeles, California 90017  
Attention: Corporate Trust Department

**SUBJECT:** City of Oxnard Financing Authority  
Lease Revenue Refunding Bonds, Series 2011

Requisition No.: \_\_\_\_\_

Ladies and Gentlemen:

You, as Trustee under certain Trust Agreement, dated as of June 1, 2011 (the "Trust Agreement"), among you, the City of Oxnard, and the City of Oxnard Financing Authority, which Trust Agreement authorized the issuance and sale of the above-referenced Bonds, are hereby requested to pay from the Costs of Issuance Fund established pursuant to the Trust Agreement to the respective persons or entities designated on Schedule A attached hereto and by this reference incorporated herein, the respective sums set forth on said Schedule A. Each obligation, item of cost, or expense included in this Written Request is a Cost of Issuance (as defined in the Trust Agreement), has been properly incurred and is a proper charge against the Costs of Issuance Fund and has not been the basis of any previous withdrawal and the payment of such obligation, cost, or expense will not cause the balance remaining in the Costs of Issuance Fund after such payment to be less than the amount necessary to pay the remaining estimated Costs of Issuance to be paid from the Costs of Issuance Fund.

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

CITY OF OXNARD FINANCING AUTHORITY

By: \_\_\_\_\_  
Controller

## EXHIBIT C

### PERMITTED INVESTMENTS

(1) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America ("U.S. Government Securities").

(2) Direct obligations<sup>1</sup> of the following federal agencies which are fully guaranteed by the full faith and credit of the United States of America:

- (a) Export-Import Bank of the United States - Direct obligations and fully guaranteed certificates of beneficial interest
- (b) Federal Housing Administration - debentures
- (c) General Services Administration - participation certificates
- (d) Government National Mortgage Association ("GNMAs") - guaranteed mortgage-backed securities and guaranteed participation certificates
- (e) Small Business Administration - guaranteed participation certificates and guaranteed pool certificates
- (f) U.S. Department of Housing & Urban Development - local authority bonds
- (g) U.S. Maritime Administration - guaranteed Title XI financings
- (h) Washington Metropolitan Area Transit Authority - guaranteed transit bonds

(3) Direct obligations<sup>1</sup> of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America:

- (a) Federal National Mortgage Association ("FNMA's") - senior debt obligations rated Aaa by Moody's and AAA by S&P

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<sup>1</sup> The following are explicitly excluded from the securities enumerated in clauses (2) and (3):

- (a) All derivative obligations, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;
- (b) Obligations that have a possibility of returning a zero or negative yield if held to maturity;
- (c) Obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar amount at maturity or call date; and
- (d) Collateralized Mortgage-Backed Obligations ("CMOs").

- (b) Federal Home Loan Mortgage Corporation ("FHLMCs") - participation certificates and senior debt obligations rated Aaa by Moody's and AAA by S&P
- (c) Federal Home Loan Banks - consolidated debt obligations
- (d) Student Loan Marketing Association - debt obligations
- (e) Resolution Funding Corporation - debt obligations

(4) Direct, general obligations of any state of the United States of America or any subdivision or agency thereof whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision, or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P.

(5) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, P-1 by Moody's and A-1 or better by S&P.

(6) Certificates of deposit, savings accounts, deposit accounts, or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation ("FDIC"), including the Bank Insurance Fund and the Savings Association Insurance Fund.

(7) Certificates of deposit, deposit accounts, federal funds, or bankers' acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank, which may include the Trustee or its affiliates, or United States branch office of a foreign bank, provided that such bank's short-term certificates of deposit are rated P-1 by Moody's and A-1 or better by S&P (not considering holding company ratings).

(8) Investments in money-market funds rated AAAM or AAAM-G by S&P. Such money market funds may include funds for which the Trustee or its affiliates or subsidiaries provide investment advisory or other management services.

(9) State-sponsored investment pools rated AA- or better by S&P.

(10) Repurchase agreements that meet the following criteria:

(a) A master repurchase agreement or specific written repurchase agreement, substantially similar in form and substance to the Public Securities Association or Bond Market Association master repurchase agreement, governs the transaction.

(b) Acceptable providers shall consist of (i) registered broker/dealers subject to Securities Investors' Protection Corporation ("SIPC") jurisdiction or commercial banks insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured, and unguaranteed rating of A3/P-1 or better by Moody's and A-/A-1 or better by S&P, or (ii) domestic structured investment companies

[approved by the Bond Insurer and] rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P.

(c) The repurchase agreement shall require termination thereof if the counterparty's ratings are suspended, withdrawn, or fall below A3 or P-1 from Moody's, or A- or A-1 from S&P. Within ten (10) days, the counterparty shall repay the principal amount plus any accrued and unpaid interest on the investments.

(d) The repurchase agreement shall limit acceptable securities to U.S. Government Securities and to the obligations of GNMA, FNMA or FHLMC described in clauses 2(d), 3(a) and 3(b) above. The fair market value of the securities in relation to the amount of the repurchase obligation, including principal and accrued interest, is equal to a collateral level of at least 104% for U.S. Government Securities and 105% for GNMA's, FNMA's, or FHLMC's. The repurchase agreement shall require (i) the Trustee or an independent third party acting solely as agent for the Trustee (the "Agent") to value the collateral securities no less frequently than weekly, (ii) the delivery of additional securities if the fair market value of the securities is below the required level on any valuation date, and (iii) liquidation of the repurchase securities if any deficiency in the required percentage is not restored within two (2) Business Days of such valuation.

(e) The repurchase securities shall be delivered free and clear of any lien to the Trustee or the Agent, and such Agent is (i) a Federal Reserve Bank or (ii) a bank which is a member of the FDIC and which has combined capital, surplus, and undivided profits or, if appropriate, a net worth, of not less than \$50 million, and the Trustee shall have received written confirmation from such third party that such third party holds such securities, free and clear of any lien, as agent for the Trustee.

(f) A perfected first security interest in the repurchase securities shall be created for the benefit of the Trustee, and the Authority and the Trustee shall receive an opinion of counsel as to the perfection of the security interest in such repurchase securities and any proceeds thereof.

(g) The repurchase agreement shall have a term of one year or less, or shall be due on demand.

(h) The repurchase agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the repurchase securities [, unless the Bond Insurer directs otherwise]:

- i. insolvency of the broker/dealer or commercial bank serving as the counterparty under the repurchase agreement;

- ii. failure by the counterparty to remedy any deficiency in the required collateral level or to satisfy the margin maintenance call under clause 10(d) above; or
- iii. failure by the counterparty to repurchase the repurchase securities on the specified date for repurchase.

(11) Investment agreements (also referred to as guaranteed investment contracts) that meet the following criteria:

- (a) A master agreement or specific written investment agreement governs the transaction.
- (b) Acceptable providers of uncollateralized investment agreements shall consist of (i) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least Aa2 by Moody's and AA by S&P; (ii) domestic insurance companies rated Aaa by Moody's and AAA by S&P; and (iii) domestic structured investment companies [approved by the Bond Insurer and] rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P.
- (c) Acceptable providers of collateralized investment agreements shall consist of (i) registered broker/dealers subject to SIPC jurisdiction, if such broker/dealer has an uninsured, unsecured, and unguaranteed rating of A1 or better by Moody's and A+ or better by S&P; (ii) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least A1 by Moody's and A+ by S&P; (iii) domestic insurance companies rated at least A1 by Moody's and A+ by S&P; and (iv) domestic structured investment companies [approved by the Bond Insurer and] rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P. Required collateral levels shall be as set forth in clause 11(f) below.
- (d) The investment agreement shall provide that, if the provider's ratings fall below Aa3 by Moody's or AA- by S&P, the provider shall within ten (10) days either (i) repay the principal amount plus any accrued and interest on the investment; or (ii) deliver Permitted Collateral as provided below.
- (e) The investment agreement must provide for termination thereof if the provider's ratings are suspended, withdrawn, or fall below A3 from Moody's or A- from S&P. Within ten (10) days, the provider shall repay the principal amount plus any accrued interest on the agreement, without penalty.
- (f) The investment agreement shall provide for the delivery of collateral described in clause i or ii below ("Permitted Collateral") which shall be maintained at the following collateralization levels at each valuation date:
  - i. U.S. Government Securities at 104% of principal plus accrued interest; or

ii. Obligations of GNMA, FNMA, or FHLMC (described in clauses 2(d), 3(a), and 3(b) above) at 105% of principal and accrued interest.

(g) The investment agreement shall require the Trustee or the Agent to determine the market value of the Permitted Collateral not less than weekly and notify the investment agreement provider on the valuation day of any deficiency. Permitted Collateral may be released by the Trustee to the provider only to the extent that there are excess amounts over the required levels. Market value, with respect to collateral, may be determined by any of the following methods:

- i. the last quoted "bid" price as shown in Bloomberg, Interactive Data Systems, Inc., The Wall Street Journal, or Reuters;
- ii. valuation as performed by a nationally recognized pricing service, whereby the valuation method is based on a composite average of various bid prices; or
- iii. the lower of two (2) bid prices by nationally recognized dealers. Such dealers or their parent holding companies shall be rated investment grade and shall be market makers in the securities being valued.

(h) Securities held as Permitted Collateral shall be free and clear of all liens and claims of third parties, held in a separate custodial account, and registered in the name of the Trustee or the Agent.

(i) The provider shall grant the Trustee or the Agent a perfected first security interest in any collateral delivered under an investment agreement. For investment agreements collateralized initially and in connection with the delivery of Permitted Collateral under clause 11(f) above, the Trustee [and the Bond Insurer] shall receive an opinion of counsel as to the perfection of the security interest in the collateral.

(j) The investment agreement shall provide that moneys invested under the agreement must be payable and putable at par to the Trustee without condition, breakage fee, or other penalty, upon not more than two (2) Business Days' notice, or immediately on demand for any reason for which the funds invested may be withdrawn from the applicable fund or account established under the authorizing document, as well as the following:

- i. In the event of a deficiency in the debt service account;
- ii. Upon acceleration after an event of default;
- iii. Upon refunding of the Bonds in whole or in part;
- iv. Reduction of the Reserve Requirement for the Bonds; or

- v. If a determination is later made by a nationally recognized bond counsel that investments must be yield-restricted.

Notwithstanding the foregoing, the agreement may provide for a breakage fee or other penalty that is payable in arrears and not as a condition of a draw by the Trustee if the Authority's obligation to pay such fee or penalty is subordinate to its obligation to pay debt service on the Bonds and to make deposits to the Reserve Fund.

(k) The investment agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the investment securities, unless:

- i. Failure of the provider or the guarantor (if any) to make a payment when due or to deliver Permitted Collateral of the character, at the times, or in the amounts described above;
- ii. Insolvency of the provider or the guarantor (if any) under the investment agreement;
- iii. Failure by the provider to remedy any deficiency with respect to required Permitted Collateral;
- iv. Failure by the provider to make a payment or observe any covenant under the agreement;
- v. The guaranty (if any) is terminated, repudiated, or challenged; or
- vi. Any representation of warranty furnished to the Trustee or the Authority in connection with the agreement is false or misleading.

(l) The investment agreement must incorporate the following general criteria:

- i. "Cure periods" for payment default shall not exceed two (2) Business Days;
- ii. The agreement shall provide that the provider shall remain liable for any deficiency after application of the proceeds of the sale of any collateral, including costs and expenses incurred by the Trustee [or the Bond Insurer];
- [iii. Neither the agreement or guaranty agreement, if applicable, may be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior consent of the Bond Insurer;]
- iv. If the investment agreement is for the Reserve Fund, reinvestments of funds shall be required to bear interest at a rate at least equal to the original contract rate;

- v. The provider shall be required to immediately notify the Trustee [and the Bond Insurer] of any event of default or any suspension, withdrawal, or downgrade of the provider's ratings;
- vi. The agreement shall be unconditional and shall expressly disclaim any right of set-off or counterclaim; and
- vii. The agreement shall require the provider to submit information reasonably requested by the Trustee [or the Bond Insurer], including balance invested with the provider, type and market value of collateral, and other pertinent information.

(12) Forward delivery agreements in which the securities delivered mature on or before each interest payment date (for debt service or debt service reserve funds) or draw down date (construction funds) that meet the following criteria:

- (a) A specific written investment agreement governs the transaction.
- (b) Acceptable providers shall be limited to (i) any registered broker/dealer subject to the SIPC jurisdiction, if such broker/dealer or bank has an uninsured, unsecured, and unguaranteed obligation rated A3/P-1 or better by Moody's and A-/A-1 or better by S&P; (ii) any commercial bank insured by the FDIC, if such bank has an uninsured, unsecured, and unguaranteed obligation rated A3/P-1 or better by Moody's and A-/A-1 or better by S&P; and (iii) domestic structured investment companies [approved by the Bond Insurer and] rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P.
- (c) The forward delivery agreement shall provide for termination or assignment (to a qualified provider hereunder) of the agreement if the provider's ratings are suspended, withdrawn, or fall below A3 or P-1 from Moody's or A- or A-1 from S&P. Within ten (10) days, the provider shall fulfill any obligations it may have with respect to shortfalls in market value. There shall be no breakage fee payable to the provider in such event.
- (d) Permitted securities shall include the investments listed in clauses 1, 2, and 3 above.
- (e) The forward delivery agreement shall include the following provisions:
  - i. The permitted securities must mature at least one (1) Business Day before a debt service payment date or scheduled draw. The maturity amount of the permitted securities must equal or exceed the amount required to be in the applicable fund on the applicable valuation date.
  - ii. The agreement shall include market standard termination provisions, including the right to terminate for the provider's failure to deliver qualifying securities or otherwise to perform under the agreement.

There shall be no breakage fee or penalty payable to the provider in such event.

iii. Any breakage fees shall be payable only on Interest Payment Dates and shall be subordinated to the payment of Debt Service Fund and Reserve Fund replenishments.

iv. The provider must submit at closing a bankruptcy opinion to the effect that upon any bankruptcy, insolvency, or receivership of the provider, the securities will not be considered to be a part of the provider's estate [, and shall otherwise be acceptable to the Bond Insurer].

[v. The agreement may not be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior written consent of the Bond Insurer.]

(13) Forward delivery agreements in which the securities delivered mature after the funds may be required but provide for the right of the issuer or the Trustee to put the securities back to the provider under a put, guaranty, or other hedging arrangement [, only with the prior written consent of the Bond Insurer].

(14) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of the State of California or of any agency, instrumentality, or local governmental unit of the State of California which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and which are rated, based on an irrevocable escrow account or fund, in the highest rating category of S&P and Moody's [, or as otherwise permitted by the Bond Insurer].

(15) Shares in any money market mutual fund registered under the Investment Company Act of 1940 whose investment portfolio consists solely of direct obligations of the United States Government, provided that any such fund has been rated in the highest category by a nationally recognized rating agency and, provided further, that such mutual funds may include funds for which the Trustee or its affiliates or subsidiaries provide investment advisory or other management services.

(16) The Local Agency Investment Fund ("LAIF").

(17) Maturity of investments shall be governed by the following:

(a) Investments of monies (other than reserve funds) shall be in securities and obligations maturing not later than the dates on which such monies will be needed to make payments.

(b) Investments shall be considered as maturing on the first date on which they are redeemable without penalty at the option of the holder or the date on which the Trustee may require their repurchase pursuant to repurchase agreements.

(c) Investments of monies in reserve funds not payable upon demand shall be restricted to maturities of five (5) years or less.

[(18) Other forms of investments approved in writing by the Bond Insurer with notice by the Authority to S&P.]

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