

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
INDUSTRIAL DEVELOPMENT AUTHORITY OF THE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

616C



FROM: Economic Development Agency

SUBMITTAL DATE:
December 10, 2009

SUBJECT: Approval of the Extension of the Maturity Date and Weighted Average Maturity of Variable Rate Demand Industrial Development Revenue Bonds Series 2001 (TRM Manufacturing Inc. Project) and Letter of Credit Addition

RECOMMENDED MOTION: That the Board of Directors:

1. Adopt Resolution No. 2010-01 authorizing the extension of maturity date and weighted average maturity of the Variable Rate Demand Industrial Development Revenue Bonds, Series 2001 (TRM Manufacturing Inc. Project) (Bonds) by the Industrial Development Authority of the County of Riverside (Authority);
2. Approve and authorize the Assistant County Executive Officer/EDA to execute the First Amendment to the Loan Agreement by and between the Authority and Anaisa, LLC;
3. Approve and authorize the Assistant County Executive Officer/EDA to execute the First Supplement to the Indenture of Trust related to the original bond indenture.

BACKGROUND: (Commences on Page 2)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: Yes

SOURCE OF FUNDS: Bonds to be secured and paid for by the Applicant	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

JENNIFER L. SARGENT
County Executive Office Signature

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner
DATE: 12/10/09

Departmental Concurrence

Dept't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 05-22-01, Item 6.1 | District: 2 | Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

6.1
Form 111da (Rev 06/2003)

BACKGROUND:

On June 22, 2001, the Authority issued \$5,000,000 of the Bonds to finance construction, installation and equipping of a manufacturing facility located at 375 TRM Circle, Corona, California for the manufacture and distribution of extruded sheet plastic material (Project).

The Applicant has submitted a request to the Authority to extend the maturity date and weighted average maturity of the Bonds and add an additional letter of credit to secure the Bonds. The Bonds are secured by a letter of credit issued by California Bank & Trust but due to recent financial market disruptions, the interest rate on the Bonds has increased significantly in comparison to the interest rate for other comparable bonds. The proposed amendments serve to add a confirming letter of credit by the Federal Home Loan Bank of San Francisco as additional security for the payment of the Bonds. The additional security will allow the Bonds to receive a higher rating and, correspondingly, be remarketed at lower rates. The amendments will also extend the final maturity date and weighted average maturity of the Bonds, solely for tax purposes.

Staff recommends that the Board of Directors approve Resolution No. 2010-01 and the supporting documents for the extension of the maturity date and weighted average maturity of the Bonds.

A companion item appears on today's Board of Supervisors agenda.

RESOLUTION 2010-01

RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF RIVERSIDE AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH AN EXTENSION OF THE MATURITY DATE AND CERTAIN OTHER AMENDMENTS WITH RESPECT TO THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF RIVERSIDE VARIABLE RATE DEMAND INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 2001 (TRM MANUFACTURING INC. PROJECT)

WHEREAS, the Industrial Development Authority of the County of Riverside (the "Authority") entered into an Indenture of Trust, dated as of June 1, 2001 (the "Original Indenture"), by and between the Authority and U.S. Bank Trust National Association, as trustee (the predecessor to U.S. Bank National Association) (the "Trustee") relating to the execution and delivery of \$5,000,000 Industrial Development Authority of the County of Riverside Variable Rate Demand Industrial Development Revenue Bonds, Series 2001 (TRM Manufacturing Inc. Project) (the "Bonds"); and

WHEREAS, the Bonds were issued pursuant to the California Industrial Development Financing Act (California Government Code Section 91500 *et seq.*, as amended and supplemented) (the "Act") in order to facilitate the financing of a manufacturing facility and equipment (the "Project"); and

WHEREAS, the Authority and Anaisa, LLC (the "Borrower") entered into a Loan Agreement, dated as of June 1, 2001 (the "Original Loan Agreement"), pursuant to which the Authority loaned the proceeds of the Bonds to the Borrower; and

WHEREAS, principal and interest payments with respect to the Bonds are secured by a letter of credit provided by California Bank & Trust (the "Bank"); and

WHEREAS, the Bank has obtained a commitment from the Federal Home Loan Bank of San Francisco to provide an irrevocable, transferable standby letter of credit as additional security for the Bonds (the "Support Letter of Credit") and the Bank and the Borrower have requested that the Authority and the Trustee enter into a supplement to the Original Indenture and amendment to the Original Loan Agreement in connection with the delivery of the Support Letter of Credit and to take and authorize certain other actions in connection with the foregoing; and

WHEREAS, Borrower desires to extend the maturity date of the Bonds from June 1, 2026 to June 1, 2032, and has requested that the Authority and the Trustee enter into a First Supplement to Indenture of Trust in order to amend the provisions of the Original Indenture relating to the maturity date of the Bonds; and

WHEREAS, pursuant to Section 9.01 of the Original Indenture, the Authority and the Trustee may enter into supplemental indenture to extend the maturity date of any Bond only after the consent of the Bank, the Borrower and the owner of each affected Bond (the "Extension

FORM APPROVED COUNTY COUNSEL
BY *Dale A. Gardner* 12/21/07
DALE A. GARDNER DATE

Consents”) have been filed with the Trustee, and may enter into a supplemental indenture to pledge or assign additional security for the Bonds only with the written consent of the Bank and the Borrower (the “Security Consents”); and

WHEREAS, pursuant to Section 10.04 of the Original Loan Agreement, amendments to the Original Loan Agreement are effective only with the written consent of the Trustee and the Bank (the “Loan Agreement Consents”); and

WHEREAS, there has been presented to this meeting and is now on file with the Secretary of the Authority the following:

1. A proposed form of the First Supplement to Indenture of Trust (the “First Supplement”), to be entered into by and between the Authority and the Trustee; and
2. A proposed form of the First Amendment to Loan Agreement (the “First Amendment”), to be entered into by and between the Authority and the Borrower; and

WHEREAS, subject to the satisfaction of the Extension Consents and the Loan Agreement Consents, the Authority has determined to approve and authorize the execution of the First Supplement and First Amendment;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Industrial Development Authority of the County of Riverside as follows:

Section 1. The Authority hereby approves of the extension of the maturity date of the Bonds from June 1, 2026 to June 1, 2032, subject to receipt by the Authority of the Extension Consents and the Loan Agreement Consents. The Authority hereby further approves of the provision of the Support Letter of Credit, subject to the receipt by the Authority of the Security Consents and Loan Agreement Consents.

Section 2. The form of the First Supplement presented at this meeting is hereby approved and, subject to receipt by the Authority of the Extension Consents and Security Consents, the Chairman or Vice Chairman of the Authority and the Assistant County Executive Officer/Economic Development Agency of the County of Riverside, on behalf of the Authority, (each, an “Authorized Officer”) are each hereby authorized and empowered to execute by manual or facsimile signature and deliver the First Supplement, and the Secretary or the Secretary’s duly designated deputy (hereinafter, the “Secretary”) of the Authority is authorized to attest thereto, with such nonsubstantial changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 3. The form of the First Amendment presented at this meeting is hereby approved and, subject to receipt by the Authority of the Loan Agreement Consents, the Authorized Officers are each hereby authorized and empowered to execute by manual or facsimile

signature and deliver the First Amendment, and the Secretary of the Authority is authorized to attest thereto, with such nonsubstantial changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 4. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute replacement Bonds in an aggregate principal amount not to exceed the amount outstanding as of the date of execution thereof in accordance with the terms of this resolution and the First Supplement and in the form set forth in the First Supplement. The new Bond certificate, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate and register the Bond certificate so delivered by executing the appropriate Certificate of Authentication and Registration appearing thereon, and to deliver the new Bond certificate, when duly executed, authenticated and registered, upon the written direction of the remarketing agent for the Bonds.

Section 5. Each Authorized Officer, on behalf of the Authority, is authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction and to effectuate the purposes of this Resolution.

Section 6. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions contemplated by this Resolution are hereby approved, confirmed and ratified, and the officers of the Authority and their authorized designees, deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents which they or bond counsel may deem necessary or advisable in order to consummate the extension of the maturity of the Bonds and otherwise to effectuate the purposes of this Resolution.

Section 7. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the Industrial Development Authority of the County of Riverside on January 5, 2010 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Chairman, Industrial Development Authority
of the County of Riverside

ATTEST:
KECIA HARPER-IHEM, SECRETARY

By _____
Deputy

FIRST AMENDMENT TO LOAN AGREEMENT

by and between

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF RIVERSIDE

and

ANAISA, LLC

Dated as of January 1, 2010

Industrial Development Authority of the County of Riverside
Variable Rate Demand
Industrial Development Revenue Bonds, Series 2001
(TRM Manufacturing Inc. Project)

TABLE OF CONTENTS

Page

ARTICLE I

AUTHORITY

Section 1.01.	Amendment to Loan Agreement.....	2
Section 1.02.	Authority for First Amendment	2

ARTICLE II

AMENDMENTS TO LOAN AGREEMENT

Section 2.01.	Amendment to Loan Agreement in Part	2
Section 2.02.	Amendment to Section 2.03 of the Original Loan Agreement	2
Section 2.03.	Amendment to Section 4.02 of the Original Loan Agreement	2
Section 2.04.	Amendment to Section 4.03 of the Original Loan Agreement	3
Section 2.05.	Amendment to Section 4.04 of the Original Loan Agreement	3
Section 2.06.	Amendment to Section 4.06 of the Original Loan Agreement	4
Section 2.07.	Amendment to Section 5.07 of the Original Loan Agreement	4
Section 2.08.	Amendment to Section 5.08 of the Original Loan Agreement	4
Section 2.09.	Amendment to Section 7.01 of the Original Loan Agreement	6
Section 2.10.	Amendments to Section 7.02 of the Original Loan Agreement	6
Section 2.11.	Amendments to Section 10.01 of the Original Loan Agreement	6
Section 2.12.	Amendment to Section 10.07 of the Original Loan Agreement	7
Section 2.13.	Amendment to Section 10.11 of the Original Loan Agreement	7

ARTICLE III

MISCELLANEOUS

Section 3.01.	Effectiveness	7
Section 3.02.	Original Loan Agreement to Remain in Effect	7
Section 3.03.	Consents to First Amendment	7
Section 3.04.	Agreement to Pay Costs	7
Section 3.05.	Consent to First Supplement to Indenture of Trust	8
Section 3.06.	Counterparts	8

FIRST AMENDMENT TO LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT (this "First Amendment"), dated as of January 1, 2010, between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF RIVERSIDE**, a public corporate instrumentality of the State of California (the "Authority") and **ANAISA, LLC**, a limited liability company duly organized and validly existing under the laws of the State of California (the "Borrower").

W I T N E S S E T H

WHEREAS, on June 22, 2001, the Authority issued \$5,000,000 aggregate principal amount of its Variable Rate Demand Industrial Development Revenue Bonds, Series 2001 (TRM Manufacturing Inc. Project), (the "Bonds") pursuant to an Indenture of Trust, dated as of June 1, 2001 (the "Original Indenture"), between the Authority and U.S. Bank Trust National Association, as trustee (the "Trustee");

WHEREAS, the proceeds of the Bonds were loaned by the Authority to Anaisa, LLC (the "Borrower") pursuant to a Loan Agreement (the "Original Loan Agreement"), dated June 1, 2001, to be used to acquire, construct or install a project as more particularly described in the Original Loan Agreement;

WHEREAS, there is approximately \$4,500,000 aggregate principal amount of the Bonds currently outstanding;

WHEREAS, the payment of the principal of and interest on the Bonds is secured by an irrevocable direct-pay letter of credit issued by California Bank & Trust;

WHEREAS, the Borrower has requested that the Authority enter into this First Amendment to amend the maturity date applicable to the Bonds contained in the Original Loan Agreement and to provide an irrevocable, transferable Standby Letter of Credit (the "Support Letter of Credit") from Federal Home Loan Bank of San Francisco (the "Support Letter of Credit Bank") to provide additional security for the Bonds;

WHEREAS, pursuant to Sections 10.04 of the Original Loan Agreement, the Original Loan Agreement may be amended or supplemented upon the request of the Borrower with the written consent of the Trustee and the Bank;

WHEREAS, at the request of the Borrower, the Authority has determined to enter into this First Amendment; and

WHEREAS, the Bank and the Trustee have consented to the execution of this First Amendment concurrently with the execution hereof by the Authority and the Borrower;

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, the parties hereby formally covenant, agree and bind themselves as follows:

ARTICLE I

AUTHORITY

Section 1.01. Amendment to Loan Agreement. This First Amendment is supplemental and amendatory to the Original Loan Agreement.

Section 1.02. Authority for First Amendment. This First Amendment is entered into pursuant to the provisions of Section 10.04 of the Original Loan Agreement.

ARTICLE II

AMENDMENTS TO LOAN AGREEMENT

Section 2.01. Amendment to Loan Agreement in Part. The Original Loan Agreement is hereby amended in part to read as set forth in the following Sections. Unless otherwise required by the context, all terms used herein which are defined in the Original Loan Agreement, the Original Indenture, or in the First Supplement to Indenture of Trust, dated as of January 1, 2010, by and between the Authority and the Trustee, shall have the meanings assigned to them therein.

Section 2.02. Amendment to Section 2.03 of the Original Loan Agreement. Section 2.03 of the Original Loan Agreement is hereby amended in its entirety to read as follows:

Section 2.03. Registered Owners to Benefit. The Borrower agrees that this Agreement is executed in part to induce the purchase by others of the Bonds. Accordingly, all covenants and agreements on the part of the Borrower set forth in this Agreement are hereby declared to be for the benefit of the Registered Owners from time to time of such Bonds; provided, however, that such covenants and agreements shall create no rights in any parties other than the Authority, the Borrower, the Remarketing Agent, the Bank, the Support Letter of Credit Bank, the Trustee, the Tender Agent and such Bondholders.

Section 2.03. Amendment to Section 4.02 of the Original Loan Agreement. The final Paragraph of Section 4.02(a) of the Original Loan Agreement is hereby amended in its entirety to read as follows:

The obligation of the Borrower to make any payment under this subsection (a) shall be deemed to have been satisfied to the extent of any corresponding payment made by the Bank or the Support Letter of Credit Bank to the Trustee as a result of a drawing under the Letter of Credit or the Support Letter of Credit, respectively. To the extent the Trustee receives a Loan Repayment from the Borrower pursuant to this subsection (a) after any payment obligation hereunder has been satisfied by a drawing under the Letter of Credit or the Support Letter of Credit, the Trustee shall promptly use such Loan Repayment to reimburse the Bank or the Support Letter of Credit Bank, as applicable, for such drawing or if the Bank or the Support Letter of Credit Bank, as applicable, has been reimbursed directly by the Borrower such funds shall be returned to the Borrower.

Section 2.04. Amendment to Section 4.03 of the Original Loan Agreement. Section 4.03 of the Original Loan Agreement is hereby amended in its entirety to read as follows:

Section 4.03. Purchase of Bonds. The Borrower hereby recognizes and agrees that the Indenture provides for the creation of an account or accounts to facilitate the purchase of Bonds by the Tender Agent on the Mandatory Tender Date and upon the optional tender of Bonds in accordance with Section 4.06 of the Indenture, and, subject to Section 5.08 hereof, the Borrower agrees to provide or cause to be provided the Letter of Credit and the Support Letter of Credit, or an Alternate Letter of Credit, for the payment of amounts necessary to purchase such Bonds.

Section 2.05. Amendment to Section 4.04 of the Original Loan Agreement. Section 4.04 of the Original Loan Agreement is hereby amended in its entirety as follows:

Section 4.04. Unconditional Obligations. The obligations of the Borrower to make the payments required by Section 4.02 hereof and to provide or cause to be provided the Letter of Credit and the Support Letter of Credit pursuant to Section 4.03 hereof, and to perform and observe the other agreements on its part contained herein, shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim it might otherwise have against the Authority, and during the term of this Agreement, the Borrower shall pay absolutely all payments to be made on account of the Loan made to the Borrower from Bond proceeds pursuant to Section 4.01 hereof, as prescribed in Section 4.02 hereof, the obligation to provide or cause to be provided the Letter of Credit and the Support Letter of Credit, or an Alternate Letter of Credit, pursuant to Section 4.03 hereof, and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off. Until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid, or provision for the payment thereof shall have been made as required by the Indenture, the Borrower (i) will not suspend or discontinue any payments required to be made by the Borrower pursuant to this Agreement, including, without limitation, the payments provided for in Section 4.02 and the obligation to provide or cause to be provided the Letter of Credit and the Support Letter of Credit, or an Alternate Letter of Credit, pursuant to Section 4.03; (ii) will perform and observe all of its other covenants contained in this Agreement; and (iii) except as provided in Article VIII hereof, will not terminate this Agreement for any cause, including, without limitation, failure to complete the Project, the occurrence of any act or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State, or any political subdivision of either of these, or any failure of the Authority or the Trustee to perform and observe any covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement or the Indenture.

Section 2.06. Amendment to Section 4.06 of the Original Loan Agreement. Section 4.06 of the Original Loan Agreement is hereby amended in its entirety as follows:

Section 4.06. Amounts Remaining in Funds. It is agreed by the parties hereto that after: (i) payment in full of the principal of, premium, if any, and interest on, the

Bonds, or after provision for such payment shall have been made as provided in the Indenture, (ii) payment, or provision for payment satisfactory to the Trustee and paying agents, of the fees, charges and expenses of the Trustee and paying agents in accordance with the Indenture, (iii) payment, or provision for payment satisfactory to the affected parties, of all other amounts required to be paid under this Agreement and the Indenture by the Borrower and (iv) payment to the Bank or the Support Letter of Credit Bank, as the case may be, of any amounts owed by the Borrower to the Bank under the Reimbursement Agreement or to the Support Letter of Credit Bank, as the case may be, any amounts remaining in any fund held by the Trustee under the Indenture shall be paid in accordance with the requirements of Section 10.04 of the Indenture.

Section 2.07. Amendment to Section 5.07 of the Original Loan Agreement. The first sentence of Section 5.07 of the Original Loan Agreement is hereby amended in its entirety to read as follows:

If the Borrower exercises its option to convert the interest rate borne by the Bonds from the Weekly Interest Rate to the Fixed Interest Rate pursuant to the terms and provisions of the Indenture, the Borrower may cause to be delivered to the Trustee an Alternate Credit Facility, effective as of the Fixed Rate Date, in lieu of keeping the Letter of Credit and the Support Letter of Credit in place as required by Section 5.08 hereof.

Section 2.08. Amendment to Section 5.08 of the Original Loan Agreement. Section 5.08 of the Original Loan Agreement is amended in its entirety to read as follows:

Section 5.08. Letter of Credit and Support Letter of Credit. The Borrower shall at all times throughout the term of this Agreement (but subject to Section 5.07 hereof) maintain or cause to be maintained the Letter of Credit and the Support Letter of Credit with respect to the Bonds. The Letter of Credit shall be an obligation of the Bank to pay to the Trustee, against presentation of sight drafts and certificates required by the Bank, up to (a) an amount equal to the aggregate principal amount of the Bonds then Outstanding as necessary to pay the principal of such Bonds, whether at maturity, redemption, acceleration or otherwise or upon the purchase of such Bonds upon the optional tender of the Bonds pursuant to Section 4.06 of the Indenture and on the Mandatory Tender Date, and (b) an amount equal to 45 days (or such other number of days as may be required to obtain a rating on the Bonds if the Bonds are then rated) of interest on the Bonds calculated at an interest rate of twelve percent (12%) per annum on the basis of a 365- or 366-day year, as applicable, for the number of days actually elapsed while the Bonds bear interest at the Weekly Interest Rate and an amount equal to 210 days (or such other number of days as may be required to obtain a rating on the Bonds if the Bonds are then rated) of interest on the Bonds calculated at the actual interest rate or rates on the Bonds on the basis of a 360-day year of twelve 30-day months while the Bonds bear interest at the Fixed Interest Rate to pay interest on the Bonds when due. The Support Letter of Credit shall be an obligation of the Support Letter of Credit Bank to pay to the Trustee, against presentation of sight drafts and certificates required by the Support Letter of Credit Bank, the principal of and interest on the Bonds (but not exceeding the stated amount of the Support Letter of Credit) due to the Bondholders under the Indenture in the event that the Bank has failed to honor a properly presented

drawing under the Letter of Credit or in the event the Bank has repudiated the Letter of Credit.

On any Business Day, the Borrower may, at its option, but with the written approval of the Authority, which written approval shall not be unreasonably withheld, provide or cause to be provided to the Trustee an Alternate Letter of Credit (which may be issued by the Bank) and the Borrower shall, in any event, cause to be delivered to the Trustee an extension of the Expiration Date of the Letter of Credit and the Support Letter of Credit or an Alternate Letter of Credit at least (a) twenty-three (23) days before the Expiration Date of the then-existing Letter of Credit and the Support Letter of Credit while the Bonds bear interest at the Weekly Interest Rate, or (b) forty-five (45) days before the Expiration Date of the then existing Letter of Credit and the Support Letter of Credit while the Bonds bear interest at the Fixed Interest Rate. At least thirty (30) days prior to the Letter of Credit Substitution Date, the Borrower shall provide the Authority, the Trustee, the Bank, the Tender Agent and the Remarketing Agent with a written notice of its intention to provide an Alternate Letter of Credit pursuant to this Section. Such notice shall include the proposed Letter of Credit Substitution Date and identify the provider of the Alternate Letter of Credit. An Alternate Letter of Credit shall be an irrevocable direct-pay letter of credit (including, if applicable, a Support Letter of Credit) or other irrevocable credit facility delivered to the Trustee on or prior to 8:00 a.m. (California time) on the Letter of Credit Substitution Date, issued by a commercial bank or other financial institution, the terms of which shall in all material respects be the same as the Letter of Credit or the Support Letter of Credit, as applicable. On or prior to the date of the delivery of an Alternate Letter of Credit to the Trustee, the Borrower shall cause to be furnished to the Authority and the Trustee (i) an Opinion of Bond Counsel stating that the delivery of such Alternate Letter of Credit to the Trustee is authorized pursuant to this Agreement, complies with the terms hereof and will not cause the interest on the Bonds not to be Tax-exempt, (ii) such opinions regarding the validity of the Alternate Letter of Credit as the Authority, the Trustee and any rating agency then rating the Bonds may reasonably require, and (iii) written evidence from Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P, to the effect that such rating agency has reviewed the proposed Alternate Letter of Credit and that the substitution of the proposed Alternate Letter of Credit will not, by itself, result in a reduction of its long-term rating of the Bonds below "A" if the Bonds are rated by S&P or below "A2" if the Bonds are rated by Moody's.

It is understood and agreed that with proper notification to the Trustee and the Borrower, the Bank can declare that a default has occurred under the Reimbursement Agreement with the Borrower and such default will cause a mandatory redemption of Bonds pursuant to Section 4.01(g) of the Indenture.

Section 2.09. Amendment to Section 7.01 of the Original Loan Agreement. Section 7.01(d) of the Original Loan Agreement is hereby amended in its entirety to read as follows:

(d) existence of an Event of Default under and as defined in Sections 7.01(a) through (e) and (g) of the Indenture.

Section 2.10. Amendments to Section 7.02 of the Original Loan Agreement. (a) Section 7.02(a) of the Original Loan Agreement is hereby amended in its entirety to read as follows:

(a) The Trustee, by written notice to the Borrower, the Support Letter of Credit Bank and the Bank, shall declare all unpaid amounts payable under Section 4.02(a) hereof to be due and payable immediately, provided that concurrently with or prior to such notice the unpaid principal amount of the Bonds shall have been declared to be due and payable under the Indenture. Upon any such declaration such amount shall become and shall be immediately due and payable in the amount set forth in Section 7.01 of the Indenture.

(b) Section 7.02(d) is hereby added to the Original Loan Agreement:

(d) The Trustee shall immediately draw upon the Letter of Credit or the Support Letter of Credit, if permitted by their terms and required by the terms of the Indenture, and apply the amount so drawn in accordance with the Indenture and may exercise any remedy available to it thereunder.

Section 2.11. Amendments to Section 10.01 of the Original Loan Agreement. (a) The first paragraph of Section 10.01 of the Original Loan Agreement is hereby amended in its entirety to read as follows:

Section 10.01 Notices. All notices, certificates, or other communications given hereunder shall be deemed sufficiently given on (i) the day such notices, certificates or other communications are received when sent by personal delivery, including tested telex or facsimile communication, or (ii) the third day following the day on which the same have been mailed by first class, postage prepaid, addressed to the Authority, the Borrower, the Trustee, the Tender Agent, the Bank or the Support Letter of Credit Bank, as the case may be, at the address set forth for such party below. A duplicate copy of each notice, certificate, or other communication given hereunder by either the Authority or the Borrower to the other shall also be given to the Trustee, the Tender Agent, the Bank and the Support Letter of Credit Bank. The Authority, the Borrower, the Trustee, the Tender Agent, the Bank and the Support Letter of Credit Bank may, by notice given hereunder, designate any different addresses to which subsequent notices, certificates, or other communications shall be sent.

(b) The following notice party is added at the end of Section 10.01:

If to the Support Letter of Credit Bank:

Federal Home Loan Bank of San Francisco
600 California Street
San Francisco, California 94108
Telephone: (415) 616-2720
Facsimile: (415) 616-2735
Attention: Portfolio Operations/Letters of Credit

Section 2.12. Amendment to Section 10.07 of the Original Loan Agreement. Section 10.07 of the Original Loan Agreement is hereby amended in its entirety to read as follows:

Section 10.07. Term of the Agreement. This Agreement shall be in full force and effect from the date hereof and shall continue in effect as long as any of the Bonds remain Outstanding or the Letter of Credit or the Support Letter of Credit remains in effect, whichever is later. All representations and certifications by the Borrower as to all matters affecting the Tax-exempt status of interest on the Bonds and all indemnifications by the Borrower to the Authority, the State or the Trustee shall survive the termination of this Agreement.

Section 2.13. Amendment to Section 10.11 of the Original Loan Agreement. The following Section 10.11 is hereby added to Article X of the Original Loan Agreement:

Section 10.11. References to the Support Letter of Credit Bank. After the expiration or termination of the Support Letter of Credit, all references to the Support Letter of Credit Bank and the Support Letter of Credit contained herein shall be null and void and of no further force and effect.

ARTICLE III

MISCELLANEOUS

Section 3.01. Effectiveness. This First Amendment shall become effective upon execution by the Authority and the Borrower.

Section 3.02. Original Loan Agreement to Remain in Effect. Save and except as amended by this First Amendment, the Original Loan Agreement shall remain in full force and effect.

Section 3.03. Consents to First Amendment. The Bank and the Trustee have consented to the execution of this First Amendment.

Section 3.04. Agreement to Pay Costs. The Borrower hereby covenants and agrees to pay, or cause to be paid, upon demand, all costs associated with the preparation, review and delivery of this First Amendment and the First Supplement to Indenture of Trust which amends

and supplements the Original Indenture, including the fees and expenses of the Trustee, the Bank and Bond Counsel.

Section 3.05. Consent to First Supplement to Indenture of Trust. The Borrower hereby consents to the execution and delivery by the Authority and the Trustee of the First Supplement to Indenture of Trust.

Section 3.06. Counterparts. This First Amendment may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Industrial Development Authority of the County of Riverside has caused this First Amendment to Loan Agreement to be executed in its name and the Borrower has caused this First Amendment to Loan Agreement to be executed in its name, all as of the date first above written.

INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF RIVERSIDE

By _____
Robert Field, Assistant County Executive
Officer/EDA

Attest:

By _____
_____, Secretary

ANAISA, LLC

By _____
Theodore Moore, Manager

[Signature Page to First Amendment to Loan Agreement]

FIRST SUPPLEMENT TO INDENTURE OF TRUST

by and between

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF RIVERSIDE

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of January 1, 2010

Industrial Development Authority of the County of Riverside
Variable Rate Demand
Industrial Development Revenue Bonds
(TRM Manufacturing Inc. Project)
Series 2001

TABLE OF CONTENTS

Page

ARTICLE I
AUTHORITY

Section 1.01. Supplement to Original Indenture..... 2
Section 1.02. Authority for First Supplement..... 2

ARTICLE II
AMENDMENT TO ORIGINAL INDENTURE

Section 2.01. Supplement to Original Indenture in Part..... 2
Section 2.02. Amendment to Section 2.01 of the Original Indenture..... 4
Section 2.03. Amendment to Section 2.02(d) of the Original Indenture 4
Section 2.04. Amendment to Section 2.03(a) of the Original Indenture 4
Section 2.05. Amendment to Section 4.01 of the Original Indenture..... 4
Section 2.06. Amendment to Section 5.01 of the Original Indenture..... 5
Section 2.07. Amendment to Section 5.03 of the Original Indenture..... 6
Section 2.08. Amendment to Section 5.04 of the Original Indenture..... 8
Section 2.09. Amendment to Section 5.05 of the Original Indenture..... 8
Section 2.10. Amendment to Section 5.07 of the Original Indenture..... 9
Section 2.11. Amendment to Article V of the Original Indenture..... 9
Section 2.12. Amendments to Section 7.01 of the Original Indenture 11
Section 2.13. Amendments to Section 7.03 of the Original Indenture 12
Section 2.14. Amendment to Section 7.08 of the Original Indenture..... 13
Section 2.15. Amendment to Section 7.09 of the Original Indenture..... 13
Section 2.16. Amendment to Section 7.11 of the Original Indenture..... 13
Section 2.17. Amendments to Section 8.01 of the Original Indenture 13
Section 2.18. Amendments to Section 8.03 of the Original Indenture 15
Section 2.19. Amendment to Section 8.06 of the Original Indenture..... 15
Section 2.20. Amendment to Section 8.07 of the Original Indenture..... 16
Section 2.21. Amendment to Section 8.08 of the Original Indenture..... 16
Section 2.22. Amendments to Section 8.09 of the Original Indenture 16
Section 2.23. Amendment to Section 8.10 of the Original Indenture..... 18
Section 2.24. Amendment to Section 8.14 of the Original Indenture..... 18
Section 2.25. Amendment to Section 10.01 of the Original Indenture..... 18
Section 2.26. Amendment to Section 10.03 of the Original Indenture..... 19
Section 2.27. Amendment to Section 10.04 of the Original Indenture..... 19
Section 2.28. Amendment to Section 11.03 of the Original Indenture..... 19
Section 2.29. Amendments to Section 11.08 of the Original Indenture 20
Section 2.30. Amendment to Article XI of the Original Indenture 20

ARTICLE III
MISCELLANEOUS

Section 3.01. Effectiveness 21

Section 3.02.	Original Indenture to Remain in Effect	21
Section 3.03.	Consents to First Supplement	21
Section 3.04.	Execution of New Bonds	21
Section 3.05.	Notices	21
Section 3.06.	Counterparts	21
EXHIBIT A FORM OF BOND		1

FIRST SUPPLEMENT TO INDENTURE OF TRUST

THIS FIRST SUPPLEMENT TO INDENTURE OF TRUST (this "First Supplement"), dated as of January 1, 2010, between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF RIVERSIDE** (the "Authority"), a public, corporate instrumentality of the State of California (the "State") and **U.S. BANK NATIONAL ASSOCIATION** (the successor to U.S. Bank Trust National Association), a national trust company organized and existing under the laws of the United States of America, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, on June 22, 2001, the Authority issued \$5,000,000 aggregate principal amount of its Variable Rate Demand Industrial Development Revenue Bonds, Series 2001 (TRM Manufacturing Inc. Project) (the "Bonds") pursuant to an Indenture of Trust (the "Original Indenture"), dated as of June 1, 2001, between the Authority and the Trustee;

WHEREAS, the proceeds of the Bonds were loaned by the Authority to Anaisa, LLC (the "Borrower") pursuant to a Loan Agreement (the "Original Loan Agreement"), dated June 1, 2001, to be used to acquire, construct or install a project as more particularly described in the Original Loan Agreement;

WHEREAS, there is approximately \$4,500,000 aggregate principal amount of the Bonds currently outstanding;

WHEREAS, the payment of the principal of and interest on the Bonds is secured by an irrevocable direct-pay letter of credit issued by California Bank & Trust (the "Bank");

WHEREAS, the Borrower has notified the Authority, the Trustee and the Bank of its desire to amend the maturity date applicable to the Bonds and to provide an irrevocable, transferable Standby Letter of Credit (the "Support Letter of Credit") from Federal Home Loan Bank of San Francisco (the "Support Letter of Credit Bank") to provide additional security for the Bonds;

WHEREAS, the Borrower has requested that the Authority and the Trustee enter into this First Supplement to amend and supplement the Original Indenture, to extend the maturity date of the Bonds and to provide the necessary provisions to enable the Trustee to draw under the Support Letter of Credit and to add related provisions applicable to the Support Letter of Credit Bank;

WHEREAS, pursuant to Sections 9.01 of the Original Indenture, the Authority and the Trustee may, with the written consent of the Bank and the Borrower, enter into a supplemental indenture with the consent of each of the owners of any Bonds then outstanding to extend the maturity date of any such Bonds, and may enter into a supplemental indenture without the consent of any Registered Owners for the purpose of pledging or assigning additional security for the Bonds and to make such changes which do not adversely affect the right of the Registered Owners under the Original Indenture;

WHEREAS, the Bank and the Borrower have consented to the execution of this First Supplement, and the holders of the Bonds have consented to the extension of the maturity date of the Bonds;

NOW, THEREFORE, THIS FIRST SUPPLEMENT TO INDENTURE OF TRUST WITNESSETH:

That in consideration of the premises, the acceptance by the Trustee of the trusts originally created by the Original Indenture, the mutual covenants contained therein and the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and the performance and observance by the Authority of all of the covenants and conditions in the Original Indenture contained on its part to be performed, it is agreed by and between the Authority and the Trustee as follows:

ARTICLE I

AUTHORITY

Section 1.01. Supplement to Original Indenture. This First Supplement is supplemental and amendatory to the Original Indenture.

Section 1.02. Authority for First Supplement. This First Supplement is entered into pursuant to the provisions of Sections 9.01 of the Original Indenture.

ARTICLE II

AMENDMENT TO ORIGINAL INDENTURE

Section 2.01. Supplement to Original Indenture in Part. The Original Indenture is hereby amended in part to read as set forth in the following Sections. Unless otherwise required by the context, all terms used herein which are defined in the Indenture or in the Loan Agreement shall have the meanings assigned to them therein, except as set forth below:

(a) The following terms defined in the Indenture are hereby amended in their entirety to read as set forth below:

“Alternate Letter of Credit” means an alternate irrevocable letter of credit, confirming letter of credit or similar credit facility issued by a commercial bank or savings institution, the terms of which, other than the expiration date, shall in all material respects be the same as those of the Letter of Credit and/or the Support Letter of Credit, as applicable, delivered to the Trustee pursuant to Section 5.08 of the Agreement.

“Available Moneys” means moneys which are (a) continuously on deposit with the Trustee in trust for a period of 370 days for the benefit of the Registered Owners in a separate and segregated account in which only Available Moneys are held and during and prior to which period no Act of Bankruptcy of the Borrower or the Authority occurs and

(b) proceeds of (i) the Bonds received contemporaneously with the issuance and sale of the Bonds, (ii) a drawing under the Letter of Credit, (iii) a drawing under the Support Letter of Credit, (iv) any other moneys for which the Trustee has received a written opinion of nationally recognized counsel experienced in bankruptcy matters and acceptable to the Trustee to the effect that payment of such moneys to the Registered Owners would not constitute an avoidable preference under Section 547 of the United States Bankruptcy Code in the event the Authority, the Borrower or any Related Party were to become a debtor under the United States Bankruptcy Code, which opinion is acceptable to each rating agency then rating the Bonds, or (v) moneys derived from the investment of funds qualifying as Available Moneys under the foregoing clauses.

“Business Day” means a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State or the State of New York or in any state in which the principal office of the Bank, the Support Letter of Credit Bank, the Tender Agent or the Trustee or the office of the Bank or the Support Letter of Credit Bank designated for presentations under the Letter of Credit or the Support Letter of Credit, respectively, is located are closed or a day on which the New York Stock Exchange is closed.

“Expiration Date” means the stated date upon which the Letter of Credit, the Support Letter of Credit or an Alternate Letter of Credit shall expire in accordance with its terms.

“Letter of Credit Substitution” means the substitution of an Alternate Letter of Credit for the then existing Letter of Credit and/or the Support Letter of Credit pursuant to Section 5.08 of the Agreement.

“Revenues” means all amounts received by the Authority or the Trustee for the account of the Authority pursuant or with respect to the Agreement, the Letter of Credit or the Support Letter of Credit, including, without limiting the generality of the foregoing, Loan Repayments (including both timely and delinquent payments, and any late charges, paid from whatever source), prepayments, insurance proceeds, condemnation proceeds, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Indenture, but not including any moneys paid for deposit into the Rebate Fund.

(b) The following definitions are hereby added to the Indenture:

“Support Letter of Credit” means that Support Letter of Credit issued by the Support Letter of Credit Bank guaranteeing the payments required to be made by the Bank under the Letter of Credit and naming the Trustee as the beneficiary.

“Support Letter of Credit Account” means the account of that name established in the Revenue Fund pursuant to Section 5.08 hereof.

“Support Letter of Credit Bank” means the Federal Home Loan Bank of San Francisco, or any other commercial bank or other financial institution issuing a Support Letter of Credit then in effect.

Section 2.02. Amendment to Section 2.01 of the Original Indenture. Section 2.01 of the Original Indenture is hereby amended in its entirety to read as follows:

There shall be issued under and secured by this Indenture a single series of Bonds to be designated as "Industrial Development Authority of the County of Riverside Variable Rate Demand Industrial Development Revenue Bonds, Series 2001 (TRM Manufacturing Inc. Project)" in the original principal amount of \$5,000,000, to be dated as of the Date of Delivery, and to mature fully (subject to prior redemption at the prices and dates and upon the terms and conditions hereinafter set forth) on June 1, 2032.

Section 2.03. Amendment to Section 2.02(d) of the Original Indenture. The first sentence of Section 2.02(d) of the Original Indenture is hereby amended in its entirety to read as follows:

The principal of the Bonds shall be payable in lawful money of the United States of America on June 1, 2032 at the principal corporate trust office of the Trustee in St. Paul, Minnesota or at such other office as the Trustee may designate.

Section 2.04. Amendment to Section 2.03(a) of the Original Indenture. Section 2.03(a) of the Original Indenture is hereby amended in its entirety to read as follows:

(a) On any Interest Payment Date, the interest rate on the Bonds may be converted to a fixed annual rate of interest upon receipt by the Authority, the Trustee, the Tender Agent, the Bank, the Support Letter of Credit Bank and the Remarketing Agent not less than 45 days in advance of the proposed Fixed Rate Date of (i) notice from the Borrower electing to have the interest rate on the Bonds converted to a fixed rate of interest and the effective date of such conversion, (ii) an Opinion of Bond Counsel (which shall be confirmed on the Fixed Rate Date) to the effect that conversion to a Fixed Interest Rate is permitted by the Indenture and the Act, that conversion to the Fixed Interest Rate in accordance with the provisions of the Indenture will not cause interest on the Bonds to not be Tax-Exempt, (iii) receipt by the Trustee of a commitment from the Bank and the Support Letter of Credit Bank to the extent the Support Letter of Credit is still in effect evidencing that the Letter of Credit and the Support Letter of Credit, if applicable, has been increased to provide for the interest, principal and premium requirements on the Bonds on and after the Fixed Rate Date or an Alternate Credit Facility provided pursuant to the terms of Section 5.07 of the Agreement or an Alternate Letter of Credit provided pursuant to the terms of Section 5.08 of the Agreement, (iv) a written certificate from the Remarketing Agent to the effect that it has received such opinions, certificates or other evidence satisfactory to it that there has been or will be compliance with any applicable state or federal securities law requirements, including specifically the Disclosure Requirements as provided in Section 5.11 of the Agreement, if applicable, (v) the written consent of the Bank to such conversion, and (vi) receipt by the Trustee of written evidence from the rating agency then rating the Bonds of its rating on the Bonds.

Section 2.05. Amendment to Section 4.01 of the Original Indenture. The following subsection (i) is added to Section 4.01 of the Original Indenture:

(i) ***Mandatory Redemption for Failure to Renew the Support Letter of Credit.*** The Bonds shall be redeemed in whole, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued thereon to the redemption date, on a redemption date selected by the Trustee not less than fifteen (15) days preceding the Expiration Date of the Support Letter of Credit if no Alternate Letter of Credit has been delivered to the Trustee in accordance with Section 5.08 of the Agreement or if no Alternate Credit Facility has been delivered to the Trustee in accordance with Section 5.07 the Agreement.

Section 2.06. Amendment to Section 5.01 of the Original Indenture. Section 5.01(b) of the Original Indenture is hereby amended in its entirety to read as follows:

(b) The Authority hereby transfers in trust, and assigns to the Trustee, for the benefit of the Registered Owners of the Bonds, the Bank and the Support Letter of Credit Bank, to the extent of their respective interests therein, all of the Revenues and other assets pledged in subsection (A) of this Section and all of the right, title and interest of the Authority in the Agreement (except for the right to receive any Additional Payments to the extent payable to the Authority, any rights of the Authority to indemnification and rights of inspection and consent). The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the Borrower under the Agreement.

The Trustee agrees that, so long as the Trustee holds any Revenues or any other amounts (including proceeds of the sale of the Bonds) in any fund or account established pursuant to this Indenture which are pledged by the Authority or the Borrower to secure the payment of the principal of and interest on the Bonds and the Borrower's reimbursement obligations under the Reimbursement Agreement, the Trustee shall hold the same as the collateral agent and bailee of the Bank and the Support Letter of Credit Bank but only to the extent of amounts paid by the Bank and the Support Letter of Credit Bank under the Letter of Credit and the Support Letter of Credit for which the Bank and the Support Letter of Credit Bank have not received reimbursement from the Borrower for purposes of perfecting the lien and security interest of the Bank and the Support Letter of Credit Bank therein. Upon receipt of written notice from the Bank and the Support Letter of Credit Bank that the Borrower has failed to reimburse the Bank and the Support Letter of Credit Bank for a draw under the Letter of Credit and the Support Letter of Credit as required by the Reimbursement Agreement, the Trustee shall either cause all accounts and investments which are the subject of the preceding sentence to be titled in such a manner to reflect that the Bank and the Support Letter of Credit Bank has an interest therein as described in the preceding sentence or ensure that each Person with whom the Trustee places or through whom the Trustee invests any moneys which are the subject of the preceding sentence is advised of the Bank's and the Support Letter of Credit Bank's interest therein as described in the preceding sentence and instructed to

mark its records to reflect such interest. The Trustee shall not pledge, hypothecate, transfer or release all or any portion of the Revenues to any persons (including, without limitation, the Borrower) other than Registered Owners of the Bonds in payment thereof or in any manner not in accordance with this Indenture or the Reimbursement Agreement without the written consent of the Authority, the Support Letter of Credit Bank and the Bank, except as otherwise required by a court of law.

Section 2.07. Amendment to Section 5.03 of the Original Indenture. Section 5.03 of the Original Indenture is hereby amended in its entirety to read as follows:

Section 5.03. Priority of Moneys in Revenue Fund; Letter of Credit Account.

(a) Funds for the payment of the principal or redemption price of and interest on the Bonds shall be derived from the following sources in the order of priority indicated in each of the accounts in the Revenue Fund; provided however, that amounts in the respective accounts within the Revenue Fund shall be used to pay the principal or redemption price of and interest on the Bonds (held by Registered Owners other than the Bank or the Borrower) prior to the payment of the principal and interest on the Bonds held by the Bank or the Borrower, and provided further, that if principal or redemption price (or any portion thereof) of and interest on the Bonds is paid with moneys described in subparagraph (i) or (ii) of this Section 5.03(a), any other moneys on deposit in the respective accounts in the Revenue Fund shall be applied to immediately reimburse the Bank or the Support Letter of Credit Bank, as applicable, by wire transfer in the amount of any such drawings:

(i) moneys paid into the Letter of Credit Account of the Revenue Fund representing the proceeds of drawings by the Trustee under the Letter of Credit;

(ii) moneys paid into the Support Letter of Credit Account of the Revenue Fund representing the proceeds of drawings by the Trustee under the Support Letter of Credit;

(iii) moneys paid into the Interest Account, if any, representing accrued interest received at the initial sale of the Bonds and proceeds from the investment thereof which shall be applied to the payment of interest on the Bonds;

(iv) moneys paid into the Revenue Fund pursuant to Section 10.01(b) hereof and proceeds from the investment thereof, which constitute Available Moneys;

(v) moneys deposited into the Redemption Account pursuant to Section 3.03(d) hereof and proceeds from the investment thereof;

(vi) any other moneys (not derived from drawings under the Letter of Credit or the Support Letter of Credit) paid into the Revenue Fund and proceeds from the investment thereof, which constitute Available Moneys; and

(vii) any other moneys paid into the Revenue Fund and proceeds from the investment thereof, which are not Available Moneys.

The Trustee shall create within the Revenue Fund a separate account called the "Letter of Credit Account," and all moneys drawn under the Letter of Credit shall be deposited and disbursed either in the Letter of Credit Account or the Liquidity Account established pursuant to Section 8.10 hereof. None of the Borrower, any Related Party, the Trustee or the Authority shall have any legal, equitable or beneficial right, title or interest in the Letter of Credit Account or the Liquidity Account. The Letter of Credit Account and the Liquidity Account shall be established and maintained by the Trustee and the Tender Agent, respectively, and held in trust apart from all other moneys and securities held under this Indenture or otherwise, and over which the Trustee and the Tender Agent, respectively, shall have the exclusive and sole right of withdrawal for the exclusive benefit of the Registered Owners of the Bonds with respect to which each drawing is made.

(b) The Trustee shall draw moneys under the Letter of Credit prior to 8:30 a.m. (California time) on the Business Day immediately preceding each Bond Payment Date or any date on which the principal of, premium, if any, or interest on the Bonds is to be paid to the Registered Owners, whether upon redemption, at maturity or upon acceleration of maturity of the Bonds, as applicable, in accordance with the terms thereof in amounts necessary to make full and timely payments of principal of, premium, if any, and interest on the Bonds, other than Bonds held on account of the Bank and the Borrower, when due. If the date the Trustee is required to draw under the Letter of Credit while the Bonds bear interest at the Weekly Interest Rate is prior to the date of the determination of the Weekly Interest Rate for such period which includes an Interest Payment Date, the Trustee shall draw under the Letter of Credit at the maximum rate under the Letter of Credit for such period. Any excess moneys drawn under the Letter of Credit not required to pay interest on the Bonds shall be returned to the Bank. Immediately following the receipt of notice from the Bank that an event of default has taken place under the Reimbursement Agreement, the Trustee shall draw under the Letter of Credit, and the Support Letter of Credit, to the extent necessary, and redeem the Bonds pursuant to Section 4.01(g) hereof. In addition, the Trustee shall draw moneys under the Letter of Credit in accordance with the terms thereof to the extent necessary to make full and timely payments required to be made pursuant to, and in accordance with, Article VIII hereof to pay the purchase price of tendered Bonds. The Trustee shall notify the Borrower of any proposed drawing on the Letter of Credit (other than with respect to scheduled payments of principal and interest), as and when it notifies the Bank.

In the event a drawing or attempted drawing by the Trustee under the Letter of Credit has not been honored by the Bank by 10:00 a.m., California time, on the Business Day next succeeding the Business Day on which such drawing is made or the Letter of Credit has been repudiated, the Trustee shall declare a default under Section 7.01(g) hereof and shall immediately proceed to enforce the rights and remedies provided in Section 7.01 hereof upon the occurrence of such default. If at any time there is delivered to the Trustee an Alternate Letter of Credit in accordance with the provisions of Section 5.08 of the Agreement, the times specified for drawing under the Alternate Letter

of Credit in the preceding paragraph and in this paragraph shall be modified so as to provide the Registered Owners the full benefit of the provisions of the Alternate Letter of Credit.

(c) If on the Fixed Rate Date there shall have been delivered to the Trustee an Alternate Credit Facility pursuant to Section 5.07 of the Agreement or if at any time there shall have been delivered to the Trustee an Alternate Letter of Credit pursuant to Section 5.08 of the Agreement, then the Trustee shall accept such Alternate Credit Facility or Alternate Letter of Credit, as applicable, and promptly surrender the previously held Letter of Credit or Support Letter of Credit, as applicable, to the issuing Bank or the Support Letter of Credit Bank, as appropriate, for cancellation, and shall promptly take all actions requested by the issuing Bank or the Support Letter of Credit Bank, as appropriate, to convey to such Bank and the Support Letter of Credit Bank, as appropriate, or otherwise relinquish all of its right, title and interest in any security held jointly by the issuing Bank and the Support Letter of Credit Bank, as appropriate, and the Trustee. If at any time there shall cease to be any Bonds Outstanding hereunder, the Trustee shall promptly surrender the Letter of Credit and the Support Letter of Credit to the Bank or the Support Letter of Credit Bank for cancellation. The Trustee shall comply with the procedures set forth in the Letter of Credit and the Support Letter of Credit relating to the surrender thereof.

(d) At least 15 days prior to the Letter of Credit Substitution Date, the Trustee shall send a written notice to the Registered Owners of the Bonds relating to the Borrower's election pursuant to Section 5.08 of the Agreement to deliver an Alternate Letter of Credit to the Trustee. Such notice shall (a) specify the proposed Letter of Credit Substitution Date; (b) require the Registered Owners of all of the Outstanding Bonds to tender their Bonds for purchase on the Mandatory Tender Date pursuant to Section 4.07 hereof; and (c) state that all Outstanding Bonds not purchased on or before the Mandatory Tender Date will be deemed to be purchased on the Mandatory Tender Date at a price equal to the principal amount thereof, plus unpaid interest, if any, accrued to such date.

Section 2.08. Amendment to Section 5.04 of the Original Indenture. The last sentence of the first paragraph of Section 5.04 of the Original Indenture is hereby amended in its entirety to read as follows:

The Trustee shall send notice to the Authority, the Bank, the Support Letter of Credit Bank and the Borrower of the expiration of the Letter of Credit and the Support Letter of Credit at least sixty days prior to the date of such expiration.

Section 2.09. Amendment to Section 5.05 of the Original Indenture. The first paragraph of Section 5.05 of the Original Indenture is hereby amended in its entirety to read as follows:

Subject to the following sentence, all moneys in any of the funds or accounts established pursuant to this Indenture shall be invested by the Trustee as directed in writing by an Authorized Representative of the Borrower, in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be

required for the purposes specified in this Indenture; provided, however, that: (a) moneys on deposit in the Letter of Credit Account, the Support Letter of Credit Account and the Purchase Fund and any moneys held pursuant to Section 4.07 hereof shall be held uninvested; (b) any moneys held in trust for the payment or redemption of Bonds pursuant to Article X hereof shall be invested as provided in Section 10.03 hereof; (c) moneys held in the Rebate Fund shall be invested in direct obligations of the United States or bonds or other obligations guaranteed by the United States government or for which the full faith and credit of the United States is pledged for the payment of principal and interest thereof, or in money market funds the investment of which is limited to such obligations, in each case rated in the highest rating category applicable to such investments which mature not later than the date on which it is estimated that such moneys will be required; and (d) moneys described in clause (ii), (iii) or (iv) of Section 5.03(a) hereof shall be invested in Permitted Investments rated "A-1" or "Prime 1" or higher by S&P and Moody's which mature not later than the date on which such moneys will be required to pay the Bonds or the interest thereon.

Section 2.10. Amendment to Section 5.07 of the Original Indenture. Subsections 5.07(a) and (b) of the Original Indenture are hereby amended in their entirety to read as follows:

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the "Rebate Fund." There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the written instructions of the Borrower. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Regulatory Agreement), for payment to the federal government of the United States of America and none of the Authority, the Registered Owners, the Trustee, the Tender Agent, the Bank or the Support Letter of Credit Bank shall have any rights in or claim to such moneys. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 5.07 and Sections 3.04 and 5.10 of the Agreement and by the Tax Regulatory Agreement (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with said Sections if it follows the written direction of the Borrower, and shall have no liability or responsibility to enforce compliance by the Borrower with the terms of the Tax Regulatory Agreement or said Sections.

(b) Upon receipt of the instructions required to be delivered to the Trustee pursuant to the Tax Regulatory Agreement, the Trustee shall remit part or all of the balance in the Rebate Fund to the United States government, as so directed. In addition, if the instructions delivered to the Trustee pursuant to the Tax Regulatory Agreement so direct, the Trustee shall deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds excluding the Purchase Fund, the Letter of Credit Account and the Support Letter of Credit Account, Available Moneys and moneys being aged to become Available Moneys, as the instructions direct.

Section 2.11. Amendment to Article V of the Original Indenture. The following Section 5.08 is hereby added to the Original Indenture:

Section 5.08. Support Letter of Credit.

(a) The Trustee shall hold and maintain the Support Letter of Credit for the benefit of the Registered Owners until the Support Letter of Credit expires in accordance with its terms. The Trustee shall diligently enforce all terms, covenants and conditions of the Support Letter of Credit, including drawing under the Support Letter of Credit to make full and timely payment of the principal of, and interest on, the Bonds when due as a result of the wrongful dishonor by the Bank of a properly presented and conforming draw on the Letter of Credit or the repudiation of the Letter of Credit by the Bank, and will not consent to, agree to or permit any amendment or modification of the Support Letter of Credit which would materially adversely affect the rights or security of the Registered Owners of the Bonds. The Trustee shall send written notice to the Support Letter of Credit Bank immediately following each redemption pursuant to Section 4.01(b) hereof indicating the principal amount of Bonds redeemed and the date of the redemption. If at any time during the term of the Support Letter of Credit any successor Trustee shall be appointed and qualified under this Indenture, the resigning or removed Trustee shall request that the Support Letter of Credit Bank transfer the Support Letter of Credit to the successor Trustee. If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment. When the Support Letter of Credit expires in accordance with its terms, the Trustee shall immediately surrender the Support Letter of Credit to the Support Letter of Credit Bank.

(b) The Trustee shall create within the Revenue Fund a separate account called the "Support Letter of Credit Account," into which all moneys drawn under the Support Letter of Credit shall be deposited and disbursed. None of the Borrower, any Related Party or the Authority shall have any rights to or interest in the Support Letter of Credit Account. The Support Letter of Credit Account shall be established and maintained by the Trustee and held in trust apart from all other moneys and securities held under this Indenture or otherwise, and over which the Trustee shall have the exclusive and sole right of withdrawal for the exclusive benefit of the Registered Owners of the Bonds with respect to which such drawing was made. Moneys on deposit in the Support Letter of Credit Account shall be held uninvested.

If at any time there shall have been delivered to the Trustee an Alternate Letter of Credit pursuant to Section 5.08 of the Agreement, then the Trustee shall accept such Alternate Letter of Credit and promptly surrender the Support Letter of Credit to the Support Letter of Credit Bank, in accordance with the terms of such Support Letter of Credit, for cancellation. If at any time there shall cease to be any Bonds Outstanding hereunder, the Trustee shall promptly surrender the Support Letter of Credit to the Support Letter of Credit Bank, in accordance with the terms of the Support Letter of Credit, for cancellation. The Trustee shall comply with the procedures set forth in the Support Letter of Credit relating to the termination thereof.

Section 2.12. Amendments to Section 7.01 of the Original Indenture.

(a) The following subsection (g) is hereby added to Section 7.01 of the Original Indenture:

(g) the wrongful dishonor by the Bank of a properly presented and conforming draw on the Letter of Credit or the repudiation of the Letter of Credit by the Bank.

(b) The final two paragraphs of Section 7.01 are hereby amended in their entirety to read as follows:

The preceding paragraph, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, and before the Letter of Credit or the Support Letter of Credit has been drawn upon in accordance with its terms and honored, there shall have been deposited with the Trustee a sum sufficient to pay all the principal of the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal as provided in the Agreement, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Registered Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Authority and to the Trustee, may, on behalf of the Registered Owners of all the Bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power as a consequence thereof.

Notwithstanding any other provision of this Indenture to the contrary, so long as the Bank has not failed to timely honor any conforming drawing under the Letter of Credit, the Bank shall be solely entitled to direct in writing the acceleration of the maturity of the Bonds as a result of an Event of Default described under subsections (a), (b) or (c), and the Trustee shall have no discretion with respect thereto; provided, however, that the foregoing shall not affect or restrict the ability of the Trustee to draw under the Letter of Credit to redeem the Bonds in accordance with Section 4.01 hereof.

Upon the occurrence of an Event of Default described in Section 7.01(g), the Trustee shall, by notice in writing to the Authority, the Tender Agent, the Remarketing Agent, the Borrower, the Bank and the Support Letter of Credit Bank declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such

declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding. Upon any such declaration the Trustee shall draw upon any then existing Support Letter of Credit by 10:30 a.m., California time, on the date on which the principal of, premium, if any, or interest on the Bonds is to be paid to the Registered Owners, in accordance with the terms thereof in amounts necessary to make full and timely payments of principal of, premium, if any, and interest on the Bonds, other than Bonds held on account of the Bank and the Borrower, when due. Interest on the Bonds shall cease to accrue upon the declaration of acceleration. The Trustee shall notify the Registered Owners of the date of acceleration and the cessation of accrual of interest on the Bonds in the same manner as for a notice of redemption.

Section 2.13. Amendments to Section 7.03 of the Original Indenture.

(a) Section 7.03(a) of the Original Indenture is hereby amended in its entirety to read as follows:

(a) to the payment of any reasonable expenses necessary in the opinion of the Trustee to protect the interests of the Registered Owners of the Bonds and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture; provided, however, that moneys in the Letter of Credit Account and the Support Letter of Credit Account of the Revenue Fund and the Purchase Fund shall not be used for the payment of any such expenses;

(b) Subsection 7.03(b)(ii) is hereby amended in its entirety to read as follows:

(ii) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, with interest on the overdue principal at the rate borne by the Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference; provided, however, that neither moneys derived from drawings under the Letter of Credit or the Support Letter of Credit, Available Moneys, moneys being aged to become Available Moneys, nor the proceeds from remarketing of the Bonds shall be used to pay any of the items listed in clause (a) of this Section, provided, further, that moneys held in the Purchase Fund shall only be used to pay the purchase price of the Bonds.

(c) Subsection (c) is hereby amended in its entirety to read as follows:

(c) To the payment of the Bank and the Support Letter of Credit Bank of any amounts due and owing under the Reimbursement Agreement and the payment of the remainder, if any, to the Borrower.

Section 2.14. Amendment to Section 7.08 of the Original Indenture. Section 7.08 of the Original Indenture is hereby amended in its entirety to read as follows:

Section 7.08. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Registered Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Registered Owners, then in every such case the Authority, the Bank, the Support Letter of Credit Bank, the Trustee and the Registered Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Bank, the Support Letter of Credit Bank, the Trustee and the Registered Owners shall continue as though no such proceedings had been taken. The Trustee shall deliver copies of all proceedings taken by the Trustee under this Indenture to the Tender Agent.

Section 2.15. Amendment to Section 7.09 of the Original Indenture. Section 7.09 of the Original Indenture is hereby amended in its entirety to read as follows:

Section 7.09. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee, the Bank, the Support Letter of Credit Bank or to the Registered Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 2.16. Amendment to Section 7.11 of the Original Indenture. The final sentence of Section 7.11 of the Original Indenture is hereby amended in its entirety to read as follows:

Unless an Alternate Credit Facility has been provided pursuant to Section 5.07 of the Agreement, no Event of Default can be waived, in any circumstance, unless the Letter of Credit has been fully reinstated and is in full force and effect as evidenced in writing by the Bank to the Trustee; provided, however, that the Trustee shall not under any circumstances waive an Event of Default under Section 7.01(g) of the Indenture.

Section 2.17. Amendments to Section 8.01 of the Original Indenture. Subsections (b), (c), (d) and (e) of Section 8.01 are hereby amended in their entirety to read as follows:

(b) The Trustee may at any time and for any reason be removed by an instrument or concurrent instruments in writing appointing a successor Trustee filed with the Trustee so removed and executed by the Registered Owners of a majority in aggregate principal amount of the Bonds Outstanding. The Trustee may also be removed

by an instrument in writing executed by the Authority, consented to by the Bank and with notice to the Support Letter of Credit Bank, appointing a successor Trustee filed with the Trustee so removed; provided that the Authority may not remove the Trustee during the occurrence and continuance of an Event of Default. Notwithstanding the foregoing, the Trustee may not be removed until a successor Trustee has been appointed and has assumed the duties and responsibilities of successor Trustee under this Indenture.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority, the Borrower, the Support Letter of Credit Bank and the Bank and by giving the Registered Owners notice of such resignation by mail at the addresses shown on the registration books maintained by the Bond Registrar. Upon receiving such notice of resignation, the Authority shall promptly appoint, with the consent of the Bank, and notice to the Support Letter of Credit Bank, a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted its appointment.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bondholder (on behalf of himself and all other Registered Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority, the Bank and the Support Letter of Credit Bank and to its predecessor Trustee a written acceptance thereof and a written instrument by the successor Trustee indemnifying the predecessor Trustee for all costs or claims arising after the acceptance of appointment hereunder relating to such successor Trustee's performance of its duties under this Indenture, and thereupon and after the payment by the Authority of all unpaid fees and expenses (including legal fees and expenses) of the predecessor Trustee such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall mail a notice of the succession of such Trustee to the trusts hereunder to each rating

agency which is then rating the Bonds, to the Registered Owners at the addresses shown on the registration books maintained by the Bond Registrar, and to the Bank and the Support Letter of Credit Bank. If the Authority fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be (i) a depository institution or a trust company that has an S&P short-term debt rating of at least "A-2" (or, if no short-term debt rating, a long-term debt rating of at least "BBB+"), or (ii) the corporate trust department of a federal depository institution or state-chartered depository institution subject to regulations regarding fiduciary funds on deposit, which, in either case, has corporate trust powers and is acting in its fiduciary capacity. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 2.18. Amendments to Section 8.03 of the Original Indenture. Subsections (d) and (g) of Section 8.03 of the Original Indenture are hereby amended in their entirety to read as follows:

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Registered Owners pursuant to the provisions of this Indenture unless such Registered Owners shall have offered to the Trustee satisfactory security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby; provided, however, that the Trustee shall not be entitled to any security or indemnity with respect to its obligation to draw under the Letter of Credit and the Support Letter of Credit to pay the principal or purchase price of or interest on the Bonds.

(g) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers. The Trustee shall, however, in any case make drawings under the Letter of Credit or the Support Letter of Credit, pay principal or purchase price of or interest on the Bonds as they become due, and accelerate the Bonds as required by this Indenture, notwithstanding anything to the contrary herein.

Section 2.19. Amendment to Section 8.06 of the Original Indenture. Section 8.06 of the Original Indenture is hereby amended in its entirety to read as follows:

Section 8.06. Compensation and Indemnification. The Authority shall pay (solely from Additional Payments) to the Trustee and the Tender Agent from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Indenture, and the Trustee and the Tender Agent each shall have a lien therefor on any and all funds (except moneys on deposit in the Purchase Fund, the Rebate Fund, the Letter of Credit Account and the Support Letter of Credit Account,

Available Moneys, moneys being aged to become Available Moneys and funds held for the payment of Bonds or the interest thereon which is past due or for which notice of redemption has been mailed) at any time held by it under this Indenture which lien shall be prior and superior to the lien of the Registered Owners of the Bonds.

Section 2.20. Amendment to Section 8.07 of the Original Indenture. Section 8.07 of the Original Indenture is hereby amended in its entirety to read as follows:

Section 8.07. Notice to Rating Agency. The Authority and the Trustee shall give written notice to each rating agency then rating the Bonds of each of the following: (a) a successor Trustee or Remarketing Agent is appointed hereunder; (b) this Indenture, the Agreement, the Remarketing Agreement, the Letter of Credit, the Support Letter of Credit or the Reimbursement Agreement is amended or supplemented in any manner; (c) the Bonds are converted to a Fixed Interest Rate pursuant to Section 2.03 hereof or defeased pursuant to Section 10.01 hereof or accelerated pursuant to Section 7.01 hereof or redeemed in whole pursuant to Section 4.01 hereof; (d) the expiration, substitution, termination or extension of the Letter of Credit; or (e) the expiration, substitution, termination or extension of the Support Letter of Credit.

Section 2.21. Amendment to Section 8.08 of the Original Indenture. The final paragraph of Section 8.08 of the Original Indenture is hereby amended in its entirety to read as follows:

If the Letter of Credit or the Support Letter of Credit is terminated for any reason, or an Event of Default under this Indenture occurs, the Remarketing Agent shall have the right to resign immediately. The initial Remarketing Agent appointed hereunder is Banc of America Securities LLC.

Section 2.22. Amendments to Section 8.09 of the Original Indenture. Section 8.09 of the Original Indenture is hereby amended in its entirety to read as follows:

(a) The Tender Agent shall immediately provide the Remarketing Agent, the Bank and the Trustee with telephonic notice, promptly confirmed by written notice by 12:00 noon, California time, on the next succeeding Business Day, of the receipt by the Tender Agent of a tender notice from any Registered Owner pursuant to Section 4.06 hereof or the receipt by the Tender Agent of a notice from the Borrower of its election to substitute an Alternate Letter of Credit for the then existing Letter of Credit or Support Letter of Credit pursuant to Section 5.08 of the Agreement and providing the Remarketing Agent, the Bank and the Trustee with the information contained in such notices. Upon receipt of such telephonic notice, the Remarketing Agent shall use its best efforts to remarket the Bonds described in such notice, any such remarketing to be made at a price equal to the principal amount thereof plus accrued interest.

(b) The Remarketing Agent shall (i) by 7:30 a.m., California time, on the Business Day prior to the Purchase Date, give telegraphic or telephonic notice, promptly confirmed by a written notice, to the Trustee, the Tender Agent, the Borrower and the Bank (A) directing the Tender Agent to make available for pick up by 11:00 a.m.,

California time, on the Purchase Date, at the principal corporate trust office of the Tender Agent (or at such other office as the Tender Agent shall designate) any Bonds for which the Remarketing Agent has arranged sales pursuant to this Section and (B) stating the principal amount of the Bonds of such series sold pursuant to subsection (a) of this Section and that the Remarketing Agent has sufficient funds to deliver the principal of and interest accrued to such Purchase Date on the Bond or Bonds of such series to be so purchased that have been remarketed by the Remarketing Agent, and (ii) deliver or cause to be delivered to the Tender Agent at or prior to 8:00 a.m., California time, on the Purchase Date the principal of and interest accrued to such Purchase Date on the Bond or Bonds to be so purchased that have been remarketed by the Remarketing Agent, in immediately available funds. Upon receipt of such notice from the Remarketing Agent, the Tender Agent shall immediately give telephonic notice to the Trustee, the Borrower and the Bank, promptly confirmed in writing of (A) the proceeds expected to be received from the Remarketing Agent to be applied to the purchase of the Bonds tendered for purchase, and (B) the amount that must be drawn under the Letter of Credit for Bonds which have been tendered as to which the Tender Agent has not received the principal of and interest accrued thereon to the Purchase Date from the Remarketing Agent. None of the moneys so provided to the Tender Agent for purchase of Bonds may be derived directly or indirectly from the Borrower, any Related Party or the Authority and therefore the Bonds may not be remarketed to any such entity or person. The notice by the Remarketing Agent shall specify the names, addresses, and taxpayer identification numbers of the purchasers of, and the principal amount and denominations of, such Bonds, if any, for which it has found purchasers as of such date and the principal amount of such Bonds, if any, for which it has not found purchasers as of such date. The Tender Agent shall make available for pick up new Bonds properly executed, registered in the name(s) and issued in Authorized Denominations as may be specified in the notice by the Remarketing Agent to the Tender Agent by 11:00 a.m., California time, on the Purchase Date. The Remarketing Agent and the Tender Agent shall hold all moneys available for the purchase of Bonds in trust solely for the benefit of the person or entity which shall have so delivered such moneys until Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity, and such moneys shall not be commingled with any other moneys. Under no circumstances shall the Tender Agent be obligated to expend any of its own funds in connection with this Indenture.

(c) On the Business Day immediately preceding the date Bonds are to be purchased pursuant to Section 8.10 hereof, the Trustee shall, prior to 8:30 a.m., California time, draw on the Letter of Credit in accordance with the provisions thereof to the extent of the purchase price of the Bonds for which the Tender Agent has not received proceeds from the remarketing of such Bonds as evidenced by the notice from the Tender Agent to the Trustee and shall immediately transfer or direct the proceeds of such draw to the Tender Agent to pay the purchase price of such Bonds on the Purchase Date; provided however, that no drawings shall be made under the Letter of Credit to purchase Bonds held by or for the account of the Borrower or the Bank.

In the event the drawing or attempted drawing by the Trustee under the Letter of Credit pursuant to the immediately preceding paragraph is not honored by the Bank by 10:00 a.m., California time, on the Business Day next succeeding the Business Day on

which such drawing is made or the Letter of Credit is repudiated, the Trustee shall declare a default under Section 7.01(g) of this Indenture and shall immediately proceed to enforce the rights and remedies provided in Section 7.01 upon the occurrence of such default.

In the event the Remarketing Agent remarkets the Bonds after 7:30 a.m., California time, on the Business Day immediately preceding the Purchase Date, the Trustee shall still draw on the Letter of Credit prior to 8:30 a.m., California time, on the Business Day immediately preceding the Purchase Date the balance of the funds needed to purchase the Bonds which have not been remarketed pursuant to the Remarketing Agent's notice in Section 8.09(b) hereof. The Trustee shall transfer to the Bank any excess moneys received from a drawing on the Letter of Credit that are not needed to pay the Purchase Price of the Bonds on the Purchase Date.

Section 2.23. Amendment to Section 8.10 of the Original Indenture.

(a) The following subsection (b)(iii) is hereby added to Section 8.10 of the Original Indenture:

(iii) from the Support Letter of Credit Account, moneys representing proceeds of a drawing by the Trustee under the Support Letter of Credit.

Section 2.24. Amendment to Section 8.14 of the Original Indenture. The first paragraph of Section 8.14 of the Original Indenture is hereby amended in its entirety to read as follows:

The Tender Agent shall be (i) a depository institution or a trust company that has an S&P short-term debt rating of at least "A-2" (or, if no short-term debt rating, a long-term debt rating or at least "BBB+"), or (ii) the corporate trust department of a federal depository institution or state-chartered depository institution subject to regulations regarding fiduciary funds of deposit, which, in either case, has corporate trust powers and is acting in its fiduciary capacity. The Tender Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' notice to the Issuer, the Borrower, the Remarketing Agent, the Bank, the Support Letter of Credit Bank and the Trustee. With the consent of the Bank, the Tender Agent may be removed at any time by the Issuer, by an instrument, signed by the Issuer, filed with the Tender Agent, the Remarketing Agent and the Trustee.

Section 2.25. Amendment to Section 10.01 of the Original Indenture. The final sentence of Section 10.01 of the Original Indenture is hereby amended in its entirety to read as follows:

In such event, upon Request of the Authority, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment of obligations to

be paid from Additional Payments or for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption in the following order (a) first, to the Bank to the extent of any amounts due to the Bank pursuant to the Reimbursement Agreement; and (b) otherwise, to the Borrower, provided that moneys in the Letter of Credit Account, the Liquidity Account and the Remarketing Account shall be returned to the Bank and moneys in the Support Letter of Credit Account shall be returned to the Support Letter of Credit Bank.

Section 2.26. Amendment to Section 10.03 of the Original Indenture. The first sentence of Section 10.03 of the Original Indenture is hereby amended in its entirety to read as follows:

Section 10.03. Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture (exclusive of the Project Fund, the Purchase Fund, the Letter of Credit Account, the Support Letter of Credit Account and the Rebate Fund) and shall be:

Section 2.27. Amendment to Section 10.04 of the Original Indenture. Section 10.04 of the Original Indenture is hereby amended in its entirety to read as follows:

Section 10.04. Payments After Discharge of Indenture. When there are no longer any Bonds Outstanding, and all fees, charges and expenses of the Trustee, the Tender Agent and any Paying Agents have been paid or provided for, and all expenses of the Authority relating to this Indenture have been paid or provided for, and all other amounts payable hereunder and under the Agreement have been paid, and this Indenture has been discharged and satisfied, and subject to the escheat laws of the State, the Trustee shall pay any moneys remaining in any fund established and held hereunder (other than moneys held in the Rebate Fund which shall continue to be applied as provided in Section 5.07 hereof) in the following order (a) first, to the Bank to the extent of any amounts due to the Bank pursuant to the Reimbursement Agreement, and (b) otherwise to the Borrower, provided that moneys in the Letter of Credit Account, the Liquidity Account and the Remarketing Account shall be returned to the Bank and moneys in the Support Letter of Credit Account shall be returned to the Support Letter of Credit Bank.

Section 2.28. Amendment to Section 11.03 of the Original Indenture. Section 11.03 of the Original Indenture is hereby amended in its entirety to read as follows:

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

the Authority, the Trustee, the Bank, the Support Letter of Credit Bank, the Borrower and the Registered Owners of the Bonds.

Section 2.29. Amendments to Section 11.08 of the Original Indenture.

(a) The final sentence of the first paragraph of Section 11.08 of the Original Indenture is hereby amended in its entirety to read as follows:

Any notice to or demand upon the Authority, the Borrower, the Remarketing Agent, the Tender Agent, the Bank or the Support Letter of Credit Bank shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telex or by being deposited, postage prepaid, in a post office letter box, addressed, as the case may be, as set forth below or at such other addresses as may have been filed in writing with the Trustee.

(b) The notice address for the Rating Agency is hereby amended in its entirety to read as follows:

If to the Rating Agency:

Standard & Poor's
55 Water Street, 41st Floor
New York, New York 10041
Attention: Structured Finance Ratings
Telephone: (212) 438-7330
Facsimile: (212) 438-7321
nyloc@standardandpoors.com

(c) The following addressee is hereby added at the end of Section 11.08:

If to the Support Letter of Credit Bank: Federal Home Loan Bank of San Francisco
600 California Street
San Francisco, California 94108
Telephone: (415) 616-2720
Facsimile: (415) 616-2735
Attention: Portfolio Operations/Letters of Credit

Section 2.30. Amendment to Article XI of the Original Indenture. The following Section 11.17 is hereby added to Article XI of the Original Indenture:

Section 11.17. References to the Support Letter of Credit Bank. After the expiration or termination of the Support Letter of Credit, all references to the Support Letter of Credit Bank and the Support Letter of Credit contained herein shall be null and void and of no further force and effect.

ARTICLE III

MISCELLANEOUS

Section 3.01. Effectiveness. This First Supplement shall become effective upon execution by the Authority and the Trustee.

Section 3.02. Original Indenture to Remain in Effect. Save and except as amended by this First Supplement, the Original Indenture shall remain in full force and effect.

Section 3.03. Consents to First Supplement. The Bank, the Borrower and, to the extent necessary, the Registered Owners of all of the outstanding Bonds have consented to the execution of this First Supplement.

Section 3.04. Execution of New Bonds. The Authority shall execute and deliver to the Paying Agent new Bonds pursuant to Section 9.03 of the Indenture substantially in the form set forth in Appendix A to this First Supplement. The Bond Registrar shall authenticate such new Bonds and deliver them to the owners of the Bonds in exchange for the Bonds then Outstanding. The new Bonds shall be executed and authenticated in accordance with, and shall be subject to the terms and provisions of, the Original Indenture and this First Supplement.

Section 3.05. Notices. The Trustee shall provide the Rating Agencies with prompt written notice of the execution of this First Supplement and a copy of the First Supplement in accordance with Section 9.01 of the Indenture.

Section 3.06. Counterparts. This First Supplement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF RIVERSIDE has caused this First Supplement to Indenture of Trust to be signed in its name by its Assistant County Executive Officer/EDA, an Authorized Representative of the Authority, and attested by its Secretary, and U.S. BANK NATIONAL ASSOCIATION has caused this First Supplement to Indenture of Trust to be signed in its corporate name by one of its officers thereunto duly authorized, all as of the date first above written.

INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF RIVERSIDE

By _____
Robert Field
Assistant County Executive Officer/EDA

Attest:

By _____
_____, Secretary

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Officer

EXHIBIT A
FORM OF BOND

NEITHER THE STATE OF CALIFORNIA, THE COUNTY OF RIVERSIDE NOR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF CALIFORNIA SHALL BE OBLIGATED TO PAY THIS BOND OR THE INTEREST HEREON. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA, THE COUNTY OF RIVERSIDE OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF CALIFORNIA IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, PURCHASE PRICE OF, OR INTEREST ON, THIS BOND. NEITHER THE STATE OF CALIFORNIA, THE COUNTY OF RIVERSIDE NOR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF CALIFORNIA IS IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR SUCH PAYMENTS. THE AUTHORITY HAS NO TAXING POWER. THIS BOND, TOGETHER WITH THE INTEREST AND PREMIUM (IF ANY) HEREON AND THE PURCHASE PRICE HEREOF, SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA, THE COUNTY OF RIVERSIDE OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF CALIFORNIA.

No. R-2

\$4,500,000

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF RIVERSIDE
VARIABLE RATE DEMAND INDUSTRIAL DEVELOPMENT BOND
(TRM MANUFACTURING INC. PROJECT)
SERIES 2001

Maturity Date	Original Issue Date	CUSIP
June 1, 2032	June 22, 2001	76911TBJ2

Registered Owner: CEDE & CO.

Principal Sum: FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS

The INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF RIVERSIDE (the "Authority"), a public, corporate instrumentality of the State of California (the "State"), duly organized and existing under the laws of the State, particularly the California Industrial Development Financing Act (constituting Title 10 of the Government Code of the State and 91500 of said Government Code) (the "Act"), for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, on the maturity date set forth

above (subject to any right of prior redemption hereinafter mentioned), the principal sum set forth above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from and including the Interest Payment Date (as defined herein) next preceding the date of registration of this bond (unless this bond is registered after a Record Date (as hereinafter defined) and on or before the next succeeding Interest Payment Date or on an Interest Payment Date, in which event it shall bear interest from and including such Interest Payment Date, or unless this bond is registered on or prior to June 30, 2001, in which event it shall bear interest from and including the date of initial issuance and delivery (the "Date of Delivery")), until payment of such principal sum shall be discharged as provided in the Indenture (as hereinafter defined), at the rates per annum determined as set forth below. The interest on this bond will be payable on the first Business Day of each month on or prior to the date on which this bond is converted to bear a fixed rate of interest as provided in the Indenture (the "Fixed Rate Date"), and thereafter on April 1 and June 1 in each year (each such date being referred to herein as an "Interest Payment Date"). The principal (or redemption price) hereof is payable upon presentation hereof at the principal corporate trust office of U.S. Bank National Association (together with any successor as trustee under the Indenture, the "Trustee"), in St. Paul, Minnesota, or at such other office as the Trustee may designate. Interest hereon is payable by check or draft mailed, except as provided in the Indenture, to the person whose name appears on the bond registration books of the Trustee as the Registered Owner hereof as of the close of business on the Record Date, in each case, at such person's address as it appears on such registration books. The term "Record Date" means, prior to the Fixed Rate Date, the Business Day preceding any Interest Payment Date, and after the Fixed Rate Date, the fifteenth day of the calendar month preceding any Interest Payment Date, whether or not such day is a Business Day.

The Authority, U.S. Bank National Association, as tender agent (the "Tender Agent"), the Trustee, any paying agent, and any agent of the Authority, the Tender Agent or the Trustee may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment as herein provided and for all other purposes, and the Authority, the Tender Agent, the Trustee, any paying agent or any such agent shall not be affected by notice to the contrary.

This bond, together with the interest and premium, if any, hereon shall not be deemed to constitute a debt or liability of the State, the County of Riverside (the "County") or any other political subdivision or agency of the State or a pledge of the faith and credit of the State or any political subdivision or agency of the State, but shall be payable solely from the funds provided therefor pursuant to the Indenture. This bond is only a special, limited obligation of the Authority as provided by the Act and the Authority shall under no circumstances be obligated to pay the principal of, premium, if any, purchase price of, or interest on this bond, or other costs incident hereto except from the revenues and funds pledged therefor pursuant to the Indenture. Neither the State, the County nor any other political subdivision or agency of the State is in any manner obligated to make any appropriation for such payments. The Authority has no taxing power.

No member or officer of neither the Authority, nor any person executing this bond shall in any event be subject to any personal liability or accountability by reason of the issuance of this bond.

This bond is one of a duly authorized issue of bonds of the Authority designated as captioned above (the "Bonds") pursuant to the provisions of the Act, and pursuant to an Indenture of Trust, dated as of June 1, 2001, between the Authority and the Trustee and a first supplement to indenture of trust, dated as of January 1, 2010 (collectively, the "Indenture"). The Bonds were issued for the purpose of making a loan to Anaisa, LLC (the "Borrower"), to assist in the financing of a Project (as such term is defined in the Indenture) owned by the Borrower and operated by TRM Manufacturing Inc., pursuant to a Loan Agreement, dated as of June 1, 2001, between the Authority and the Borrower and a first amendment to loan agreement, dated as of January 1, 2010 (collectively, the "Agreement"), for the purposes and on the terms and conditions set forth therein. The payment of principal of and interest on the Bonds is secured by an irrevocable Letter of Credit issued by California Bank & Trust, a California banking corporation, (the "Letter of Credit" and the "Bank," respectively) and an irrevocable confirming letter of credit issued by Federal Home Loan Bank of San Francisco (the "Support Letter of Credit" and the "Support Letter of Credit Bank," respectively). Such Letter of Credit and/or the Support Letter of Credit may be renewed or substituted by a letter of credit and/or a confirming letter of credit of another financial institution or an alternate credit facility as provided in the Agreement and the Indenture.

Reference is hereby made to the Indenture (a copy of which is on file at said office of the Trustee) and all indentures supplemental thereto and to the Act for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and the Tender Agent and of the rights and obligations of the Authority thereunder, to all the provisions of which Indenture the Registered Owner of this bond, by acceptance hereof, assents and agrees.

The Bonds and the interest thereon are payable solely from Revenues (as defined in the Indenture) and are secured by a pledge of said Revenues and of amounts held in the funds (except as provided in the Indenture) and accounts established pursuant to the Indenture (including proceeds of the sale of the Bonds), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Bonds are further secured by an assignment of the right, title and interest of the Authority in the Agreement (to the extent and as more particularly described in the Indenture) and by the Letter of Credit and the Support Letter of Credit.

The Bonds shall bear interest from and including the Date of Delivery of the Bonds to and including a date specified in the Indenture at the rate specified in the Indenture. Thereafter, prior to the Fixed Rate Date or final maturity date, whichever is earlier, the Bonds shall bear interest, calculated on the basis of a year of 365 or 366 days, as appropriate, at a rate per annum equal to the Weekly Interest Rate (as hereinafter defined). Each period from and including an Interest Payment Date to and including the day next preceding the immediately succeeding Interest Payment Date is herein called an "Interest Period."

The Weekly Interest Rate shall be the rate determined by Gates Capital Corporation (together with any successor as Remarketing Agent under the Indenture, the "Remarketing Agent"), on the basis of the examination of Tax-Exempt (as defined in the Indenture) obligations comparable to the Bonds known by the Remarketing Agent to have been priced or traded under then prevailing market conditions, to be the minimum interest rate which, if borne by the Bonds,

would enable the Remarketing Agent to sell the Bonds on the date such interest rate becomes effective at a price equal to the principal amount thereof plus accrued interest, if any, but in no event exceeding twelve percent (12%); provided, however, that if for any reason a Weekly Interest Rate so determined shall be held to be invalid or unenforceable by a court of law, the Weekly Interest Rate shall be the rate established in accordance with the Indenture.

The Remarketing Agent shall determine the Weekly Interest Rate as of the close of business on Wednesday in each calendar week until the earlier of the Fixed Rate Date, or payment in full of the Bonds; provided that if Wednesday in any calendar week shall not be a Business Day then such determination shall be made on the next preceding Business Day, and communicate by telephonic notice such rate to the Trustee (with prompt confirmation in writing). The Weekly Interest Rate so determined shall become effective Thursday in the week of determination thereof, to and including the following Wednesday irrespective of when the rate was determined by the Remarketing Agent. If the Remarketing Agent shall fail to determine a new Weekly Interest Rate in any week, the previously effective Weekly Interest Rate shall remain in effect for the next succeeding week and shall thereafter be determined in accordance with the Indenture.

Each determination of the Weekly Interest Rate by the Remarketing Agent shall be conclusive and binding on the registered owners of the Bonds.

Anything herein to the contrary notwithstanding, in no event may the interest rate borne by the Bonds exceed twelve percent (12%) per annum or, if lower, the maximum rate of interest which may be charged or collected pursuant to applicable provisions of federal or state law.

On any Interest Payment Date, the interest rate on the Bonds may be converted to a fixed annual rate of interest (the "Fixed Interest Rate") upon receipt by the Authority, the Trustee, the Tender Agent, the Bank and the Remarketing Agent not less than forty-five (45) days in advance of the date on which the Bonds begin to bear interest at the Fixed Interest Rate (the "Fixed Rate Date") of (a) notice from the Borrower electing to have the interest rate on the Bonds converted to a Fixed Interest Rate, (b) an Opinion of Bond Counsel to the effect that conversion to a Fixed Interest Rate is permitted by the Indenture and the Act and that conversion to the Fixed Interest Rate in accordance with the provisions of the Indenture will not cause interest on the Bonds to not be Tax-Exempt and (c) satisfaction of certain other conditions set forth in the Indenture.

After the Fixed Rate Date, interest on the Bonds shall be computed on the basis of a year of 360 days and 12 months of 30 days each. The interest rate on all Bonds from the Fixed Rate Date until the maturity or prior redemption or acceleration thereof shall be a rate per annum equal to the Fixed Interest Rate, which shall be determined as follows on or prior to, but not more than 15 days prior to, the Business Day immediately preceding the Fixed Rate Date. The Remarketing Agent shall specify the Fixed Interest Rate to be borne by the Bonds on and after the Fixed Rate Date.

The Fixed Interest Rate shall be the rate, but not exceeding the rate, which at the time of determination thereof in the judgment of the Remarketing Agent, having due regard for prevailing financial market conditions, would be necessary to remarket the Bonds at a price equal to 100% of the principal amount thereof on the Fixed Rate Date. If on the date of

determination by the Remarketing Agent of the Fixed Interest Rate, the Fixed Interest Rate so determined is held by a court to be invalid or unenforceable, then the Fixed Interest Rate shall be determined in accordance with the terms and provisions set forth in the Indenture. Anything to the contrary herein notwithstanding, the Fixed Interest Rate shall not exceed 12% per annum. If, after the Fixed Rate Date the Bonds shall fail to be converted to a Fixed Interest Rate, the Bonds will continue to earn interest at the Weekly Interest Rate as provided in the Indenture and the registered owners of the Bonds shall be notified thereof.

At least 30 days prior to the Fixed Rate Date, the Trustee shall give an irrevocable notice to the registered owners of the Bonds of conversion of the Weekly Interest Rate borne by the Bonds to the Fixed Interest Rate. Such notice shall (a) specify the proposed Fixed Rate Date, (b) require registered owners of all of the Outstanding Bonds to tender their Bonds for purchase on the Fixed Rate Date and (c) state that all Outstanding Bonds not purchased on or before the Fixed Rate Date pursuant to the Indenture will be deemed to be purchased on the Fixed Rate Date at a price equal to the principal amount thereof, plus unpaid interest, if any, accrued to such date.

Any Bond purchased by the Tender Agent from the date notice of the proposed Fixed Rate Date is given to registered owners of the Bonds through the Fixed Rate Date shall be remarketed at the Weekly Interest Rate for a period up to and including the Fixed Rate Date; provided, however, that all Bonds remarketed from the date notice of the proposed Fixed Rate Date is given to a registered owner of the Bonds through the Fixed Rate Date shall be tendered by the registered owner thereof on the Fixed Rate Date pursuant to the provisions of the Indenture.

The Bonds are also subject to mandatory tender for purchase on the date an alternate letter of credit is substituted for the Letter of Credit and/or the Support Letter of Credit (the "Letter of Credit Substitution Date"). The Fixed Rate Date and the Letter of Credit Substitution Date are also referred to as the "Mandatory Tender Date."

All Bonds which on the Mandatory Tender Date have not been tendered for purchase ("Non-Tendered Bonds"), shall be deemed purchased by the Tender Agent on the Mandatory Tender Date at a price of the principal amount thereof plus unpaid interest, if any, accrued to such date. Replacement bonds for the Non-Tendered Bonds may be remarketed and delivered to new owners as instructed by the Borrower or the Remarketing Agent. The Tender Agent shall hold in escrow for the owners of the Non-Tendered Bonds the purchase price thereof, and after the Mandatory Tender Date such owners will no longer be entitled to any of the benefits of the Indenture except for the payment of such purchase price.

The Indenture provides that prior to the Fixed Rate Date, the Bonds may be delivered by the registered owners thereof to the Tender Agent at its principal corporate trust office in St. Paul, Minnesota or at such other place as the Tender Agent may designate in writing to the registered owners of the Bonds. Any Bond so delivered or notice with respect to which is received shall be purchased by the Tender Agent on demand of the registered owner thereof on the close of any Business Day at a purchase price equal to the principal amount thereof plus accrued interest to but not including the date of purchase (unless such date is an Interest Payment Date, in which case the purchase price will be the principal amount of such Bond) upon:

(a) delivery to the Tender Agent of an irrevocable written notice by 4:00 p.m., California time, which states (i) the name and address of the registered owner of the Bond, (ii) the number or numbers of the Bond or Bonds to be purchased, (iii) the aggregate principal amount of the Bond or Bonds to be purchased, and (iv) the date on which the Bond is or Bonds are to be purchased, which date shall be a Business Day not prior to the seventh calendar day next succeeding the date of delivery of such notice; and

(b) delivery to the Tender Agent at or prior to 10:00 a.m., California time, on the Purchase Date specified in the aforesaid notice, of the Bond or Bonds to be tendered; provided, however, that any Bond for which a notice of the exercise of the purchase option has been given as provided in subparagraph (a) above and which is not so delivered shall be deemed delivered on the date of purchase and shall be purchased in accordance with the Indenture.

The Bonds are subject to redemption by the Authority upon the following terms in increments of \$5,000, provided that in the event of redemption of less than all of the Bonds, the amount which remains outstanding shall be in Authorized Denominations (as defined in the Indenture):

(a) The Bonds are not subject to mandatory sinking fund redemption.

(b) On or prior to the Fixed Rate Date, the Bonds are subject to redemption on any Business Day, in whole or in part, to the extent of prepayments of amounts due under the Agreement made at the option of the Borrower, with the written approval of the Bank, at a redemption price of 100% of the principal amount of the Bonds redeemed, plus interest accrued thereon to the redemption date.

(c) The Bonds Outstanding on the date of the occurrence of a Determination of Taxability (as defined in the Indenture) shall be redeemed in whole, at a price of 100% of the principal amount thereof plus interest accrued thereon to the redemption date, at any time within 60 days after such occurrence. IF THE LIEN OF THE INDENTURE IS DISCHARGED PRIOR TO THE OCCURRENCE OF A DETERMINATION OF TAXABILITY THE BONDS SHALL NOT BE REDEEMED AS DESCRIBED HEREIN.

(d) The Bonds shall be redeemed in whole, at a redemption price equal to 100% of the principal amount thereof plus interest accrued thereon to the redemption date, on a redemption date not less than 15 days preceding the expiration date of the Letter of Credit selected by the Trustee if no Alternate Letter of Credit has been delivered to the Trustee in accordance with the Agreement.

(e) The Bonds are subject to redemption in whole or in part, on any date, at a redemption price equal to 100% of the principal amount of Bonds redeemed, plus interest accrued thereon to the redemption date, to the extent of prepayments of amounts due under the Agreement made at the option of the Borrower following the occurrence of damage to, or the destruction of, the Project, the taking thereof under the power of

eminent domain or the Agreement is void unenforceable, impossible of performance or unlawful.

(f) After the Fixed Rate Date, the Bonds are subject to redemption to the extent of prepayments of amounts due under the Agreement made at the option of the Borrower, with the written consent of the Bank, in whole or in part, on any Interest Payment Date during the applicable periods specified below, at the applicable redemption price stated below, plus interest accrued thereon to the redemption date:

Number of Years From Fixed Rate Date to Final Maturity	First Optional Redemption Date	Redemption Price
greater than nine years	seven years from conversion	102%, declining 1% annually to 100%
six to nine years	six years from conversion	101%, declining 1% annually to 100%
less than six years	no optional redemption	

Notwithstanding the optional redemption schedule set forth above, on or prior to the Fixed Rate Date, the Remarketing Agent may provide an alternate optional redemption schedule if it obtains an Opinion of Bond Counsel that such alternate schedule will not cause interest on the Bonds not to be Tax-Exempt.

(g) The Bonds shall be redeemed in whole, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued thereon to the redemption date, within five calendar days (and before the fifth calendar day if the fifth calendar day is not a Business Day) from the date the Trustee receives written notice from the Bank that (i) the Bank has not been reimbursed for an interest drawing under the Letter of Credit or an event of default has occurred and is continuing under the Reimbursement Agreement and that the Letter of Credit will not be reinstated or (ii) an event of default has occurred and is continuing under the Reimbursement Agreement and that the Letter of Credit will be terminated and directing the Trustee to redeem the Bonds.

(h) The Bonds are subject to redemption, in part on any Interest Payment Date, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, to the extent of amounts remaining in the Project Fund upon completion of the Project which are deposited in the Surplus Account (as such terms are defined in the Indenture) as provided in the Indenture.

(i) The Bonds are subject to redemption in whole, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, on a redemption date not less than fifteen (15) days preceding the expiration date of the Support Letter of Credit selected by the Trustee if no Alternate Letter of Credit has been delivered to the Trustee in accordance with the Agreement.

The Bonds are subject to mandatory tender for purchase for the account of the Bank in lieu of mandatory redemption of the Bonds as provided in subparagraph (g) above following the receipt by the Trustee of written notice from the Bank stating that an event of default has occurred and is continuing under the Reimbursement Agreement and directing the Trustee to purchase the Bonds, together with the written consent of the Authority and an Opinion of Bond Counsel stating that such purchase of the Bonds by the Bank will not cause interest on the Bonds not to be Tax-Exempt. The Bonds shall be purchased on a Business Day which is at least three and no more than five calendar days after receipt of such notice (the "Mandatory Purchase Date"), at which time the Trustee shall draw under the Letter of Credit an amount equal to 100% of the principal amount of the Bonds and accrued and unpaid interest thereon to the Mandatory Purchase Date. On the Mandatory Purchase Date, the Tender Agent shall pay the purchase price for the Bonds. Any Bondholder required to tender Bonds shall tender its Bonds to the Tender Agent for purchase at or prior to 10:00 a.m., California time, on the Mandatory Purchase Date specified in the aforesaid notice; provided, however, that any Bond which is required to be purchased on the Mandatory Purchase Date and which is not so delivered shall be deemed delivered on the Mandatory Purchase Date and shall be purchased in accordance with the Indenture.

If an Event of Default (as defined in the Indenture) shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded.

The Bonds are issuable as fully registered bonds without coupons in denominations of \$100,000 or any multiple of \$5,000 in excess of \$100,000, provided that after the Fixed Rate Date the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. This bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this bond. Upon such transfer a new registered Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Indenture and the rights and obligations of the Authority and of the registered owners of the Bonds and of the Trustee or Tender Agent may be modified or amended from time to time and at any time (and in certain cases without the consent of the registered owners of the Bonds) in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the fixed maturity of this bond, or reduce the amount of principal hereof, or extend the time of payment or change the method of computing the rate of interest hereon, or extend the time of payment of interest hereon, without the consent of the Registered Owner hereof; (b) reduce the percentage of Bonds the consent of the registered owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged as security for the Bonds prior to or on a parity with the lien created by the Indenture, or deprive the registered owners of the Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the registered owners of all Bonds then outstanding; or (c) adversely affect the interests of the Tender Agent without its prior written consent. The Trustee shall not be required to consent to any such amendment which materially adversely

affects its rights, duties and immunities under the Indenture or otherwise, all as more fully set forth in the Indenture.

If moneys or securities shall have been set aside and held for the payment or redemption of Bonds and the interest installments therefor to the maturity or redemption date thereof in accordance with the Indenture, such Bonds shall be deemed to be paid within the meaning provided in the Indenture and the pledge of Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of the Authority under the Indenture shall cease, terminate, become void and be completely discharged and satisfied.

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

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

IN WITNESS WHEREOF, the Industrial Development Authority of the County of Riverside has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of the Assistant County Executive Officer/EDA, an Authorized Representative of the Authority and attested by the manual or facsimile signature of its Secretary, all as of the date set forth above.

INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF RIVERSIDE

By _____
Robert Field, Assistant County Executive
Officer/EDA

Attest

_____, Secretary

By _____
Deputy

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the bonds described in the within-mentioned Indenture, which has been registered on December __, 2009.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ (Insert name, address, zip code and Social Security, taxpayer or other identification numbers of Assignee) the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Bond Registrar with full power of substitution in the premises.

Dated: _____

Notice: The signature on this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature guaranteed:

(NOTE: Signature must be guaranteed by an Eligible Guarantor Institution)