

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM
9.1
(ID # 5864)

MEETING DATE:

Tuesday, December 5, 2017

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Public Hearing Regarding the Adoption of Resolution No. 2017-241 Approving the Issuance by the Riverside County Infrastructure Financing Authority of one or more Series of Bonds with Respect to an Animal Shelter, All Districts, [\$275,000 - Bond Proceeds 100%] (Vote on Separately) (Companion item MT 5865&5876)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing pursuant to Section 147(f) of the Internal Revenue Code on the proposed issuance of bonds, publicly approving the issuance of the bonds and qualifying the Bonds for issuance in part as tax-exempt qualified 501(c)(3) refunding bonds, and upon the closing of the hearing;
2. Adopt resolution 2017-241 approving the issuance by the Riverside County Infrastructure Financing Authority of one or more series of bonds with respect to an animal shelter, for the financing of certain public capital projects, approving the execution and delivery of a site lease and a lease agreement, and other matters related thereto.


ACTION: Policy


Stephanie Perez 11/17/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: December 5, 2017
xc: EO

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 275,000	\$ 0	\$ 275,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Bond Proceeds 100%			Budget Adjustment:	No
			For Fiscal Year:	17/18

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

In 2008, the Southwest Communities Financing Authority ("SCFA") issued lease revenue bonds to finance construction of an animal shelter in the County of Riverside. Current market conditions allow for an advance refunding of the SCFA 2008 Lease Revenue Bonds, Series A. The County also intends to raise additional proceeds to finance the construction of an expansion of the existing public health facility on County Circle to include additional labs.

The refunding and new money issuance will be issued through the Riverside County Infrastructure Financing Authority ("IFA"). The IFA Lease Revenue Bonds, 2017 Series B and C will be issued in the aggregate principal amount of approximately \$27 million, comprised of the refunding of the 2008 SCFA Bonds in the amount of approximately \$15 million and the \$11 million needed for the public health facility. The refunding can provide the County with approximately \$3.9 million in net present value savings or 30.2% of the refunded par amount. This exceeds the Board Policy B-24 requirement of at least a 3% savings threshold. The estimated aggregate gross savings are approximately \$6.7 million through the life of the bonds based on current market conditions. In addition, this refunding will not extend the maturity date per the policy. The all-in true interest cost of the bonds is estimated to be 3.18%, with net proceeds received by the IFA estimated at \$23.7 million after approximate finance charges of \$341,000. To final maturity, the total debt service cost to the borrower is estimated at \$35 million. The average annual debt service is anticipated to be approximately \$1.2 million in aggregate; however, the average annual debt service is projected at approximately \$1.4 million through May 1, 2038 when the refunding component matures. If approved, staff recommends issuing the approximately \$27 million in fixed interest rate bonds.

A portion of the proceeds of the Bonds, if any are issued, will be used by the Authority to refinance the construction and furnishing of an approximately 32,000 sq. ft. animal shelter located at 33751 Mission Trail, Lake Elsinore, California (the "Project") which will

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

be owned by the Authority and operated by Animal Friends of the Valleys, a California non-profit public benefit corporation, an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or its successors and assigns. The County of Riverside will enter into a Lease Agreement with the Authority, the lease payments under which will secure payment of debt service on the Bonds.

This item has been approved by the Debt Advisory Committee.

Public Hearing

Because Animal Friends of the Valley, a non-profit organization, will be operating the shelter, federal tax law and state law requires the local government agency in which the financed facility is located to conduct a public hearing. Since the animal shelter will be located in an unincorporated area of the county it is necessary for the Board of Supervisors to conduct the public hearing. The purpose of the hearing is to allow public input on the public benefit of the financed facility. A public notice has been published as required by law. Resolution 2017-241 formalizes compliance with federal and state law.

Impact on Citizens and Businesses

The savings achieved by the refunding will help to reduce the debt obligation of the County and therefore allow for resources to be redirected to services for the citizens.

SUPPLEMENTAL:

Additional Fiscal Information

The savings from the series B bonds will be realized by the county and various cities who currently pay the debt service. The series C bonds will be paid by the public health department.

1 RESOLUTION NO. 2017-241

2 A RESOLUTION OF THE BOARD OF SUPERVISORS OF
3 THE COUNTY OF RIVERSIDE APPROVING THE ISSUANCE
4 BY THE RIVERSIDE COUNTY INFRASTRUCTURE
5 FINANCING AUTHORITY OF ONE OR MORE SERIES OF
6 BONDS WITH RESPECT TO AN ANIMAL SHELTER

7 WHEREAS, the Southwest Communities Financing Authority (the "Southwest
8 Authority") has previously financed the construction and furnishing of an approximately
9 32,000 sq. ft. animal shelter located at 33751 Mission Trail, Wildomar, California (the
10 "Project") for use by Animal Friends of the Valley, a California non-profit public benefit
11 corporation ("AFV") which was financed by the issuance of \$15,105,000 aggregate principal
12 amount 2008 Lease Revenue Bonds (County Capital Projects) (the "2008 Bonds"); and

13 WHEREAS, proceeds of the Bonds provided financing for the acquisition and
14 construction of the Project to be owned by the Southwest Authority and operated by AFV;
15 and

16 WHEREAS, the County and the Riverside County Infrastructure Financing Authority
17 (the "Authority") now desire to refinance the 2008 Bonds to produce debt service savings on
18 the obligation of the County under a lease agreement with the issuance of refunding bonds
19 (the "Bonds") by the Authority; and

20 WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the
21 "Code"), requires that the Bonds be approved by the "applicable elected representative" of the
22 governmental unit issuing the Bonds after a noticed public hearing; and

23 WHEREAS, there has been duly published a notice of public hearing regarding the
24 issuance of the Bonds in accordance with the requirements of Section 147(f) of the Code; and
25
26
27
28

FORM APPROVED COUNTY COUNSEL
BY DALE A. GARDNER 11/20/17
DATE

12.5.17 9.1

1 WHEREAS, the Board of Supervisors of the County of Riverside (the “Board of
2 Supervisors”) has conducted a public hearing regarding the issuance of the Bonds; and

3 WHEREAS, the members of the Board of Supervisors are the applicable elected
4 representatives to approve the issuance of the Bonds for purposes of the Code and determines
5 it to be in the public interest to protect public health and safety by providing an animal shelter
6 for the communities which are members of the Authority; and
7

8 NOW, THEREFORE, the Board of Supervisors of the County of Riverside resolves as
9 follows:

10 Section 1. The above recitals, and each of them, are true and correct.

11 Section 2. The Board of Supervisors hereby approves the issuance by the Riverside
12 County Infrastructure Financing Authority of the Bonds in an aggregate principal amount not
13 to exceed \$15,000,000. This approval is intended to satisfy the requirements of Section
14 147(f) of the Code.
15

16 Section 3. The officers of the County are hereby authorized and directed, jointly and
17 severally, to do any and all things to execute and deliver any and all documents and
18 certificates which they may deem necessary or advisable in order to effectuate the purposes of
19 this resolution; and such actions previously taken by such officers are hereby ratified and
20 confirmed.
21
22
23
24
25
26
27
28

1 PASSED and ADOPTED by the Board of Supervisors on December 5, 2017.

2
3
4 By: 

John Tavaglione
Chairman of the Board of Supervisors

5
6 ATTEST:

KECIA HARPER-IHEM

7 Clerk of the Board of Supervisors

8
9 By: 

Deputy Clerk

10
11
12
13
14 ROLL CALL:

15 Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley

16 Nays: None

17 Absent: None

18 The foregoing is certified to be a true copy of a resolution duly adopted by said Board of
19 Supervisors on the date therein set forth.

20 KECIA HARPER-IHEM, Clerk of the Board

21 By: 

Deputy

NOTICE OF PUBLIC HEARING BY THE
BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
RELATING TO THE ISSUANCE BY THE
RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY
OF LEASE REVENUE BONDS
RELATING TO AN ANIMAL SHELTER

NOTICE IS HEREBY GIVEN, that the Board of Supervisors of the County of Riverside will hold a public hearing on December 5, 2017, at 9:30 a.m., in the Board Chambers located on the first floor at 4080 Lemon Street, Riverside, California 92501 with respect to the proposed issuance by the Riverside County Infrastructure Financing Authority (the "Authority") of its approximately \$15,000,000 aggregate principal amount of Lease Revenue Bonds (County of Riverside Capital Project) or other tax-exempt obligations (the "Bonds").

A portion of the proceeds of the Bonds, if any are issued, will be used by the Authority to refinance the construction and furnishing of an approximately 32,000 sq. ft. animal shelter located at 33751 Mission Trail, Lake Elsinore, California (the "Project") which will be owned by the Authority and operated by Animal Friends of the Valleys, a California non-profit public benefit corporation, an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or its successors and assigns. The County of Riverside will enter into a Lease Agreement with the Authority, the lease payments under which will secure payment of debt service on the Bonds.

This notice is intended to comply with the public notice requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

Written comments with respect to the proposed Bonds may be submitted to the Clerk of the Board of Supervisors, 4080 Lemon Street, First Floor, Riverside, California 92501, Fax: (951) 955-1071. Public testimony will be heard from all interested members of the public attending the hearing.

If any decision regarding the above proposal is challenged in court, the challenge may be limited to raising only those you challenge or someone else raised at the public hearing described in this notice or in written correspondence delivered to the Board of Supervisors at, or prior to, the public hearing.

Due to the time constraints and the number of persons wishing to give oral testimony, time restrictions may be placed on oral testimony at the public hearing regarding the proposal. Comments may be made in writing to assure that they are adequately expressed.

Dated: November 20, 2017

CLERK OF THE BOARD OF SUPERVISORS,
COUNTY OF RIVERSIDE

INDENTURE OF TRUST

Dated as of December 1, 2017

by and between

U.S. BANK NATIONAL ASSOCIATION
as trustee

and the

RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY

Authorizing the Issuance of

\$ _____
Riverside County Infrastructure Financing Authority
2017 Lease Revenue Bonds,
Series B
(County of Riverside Capital Projects)

and

\$ _____
Riverside County Infrastructure Financing Authority
2017 Lease Revenue Bonds,
Series C
(County of Riverside Capital Projects)

INDENTURE OF TRUST

This INDENTURE OF TRUST (this "Indenture"), made and entered into and dated as of December 1, 2017, is by and between the RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the Authority is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement dated as of September 15, 2015; and

WHEREAS, under Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Bond Law") the Authority is authorized to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to, public entities including the County, and to provide financing for public capital improvements of public entities including the County and to lease and lease back such public capital improvements including the land on which the public capital improvements are or will be located; and

WHEREAS, the Authority has leased a certain parcel (the "AFV Site"), which is used as an animal shelter (the "Animal Shelter") from Animal Friends of the Valleys ("AFV") pursuant to a Ground Lease, dated as of December 1, 2017, by and between the AFV, as lessor, and the Authority, as lessee (the "AFV Ground Lease"), and wishes to lease the AFV Leased Premises, defined herein, to the County pursuant to the laws of the State of California permitting entry into leasehold agreements for such purpose; and

WHEREAS, the Authority has leased a second parcel from the County pursuant to a Ground Lease, dated as of December 1, 2017 (the "County Ground Lease"), between the County, at lessor, and the Authority, as lessee, and wishes to lease the County Leased Premises, as defined herein, to the County pursuant to the laws of the State of California permitting entry into lease hold agreements;

WHEREAS, the AFV Site is leased to the AFV pursuant to an Amended and Restated Site Lease Agreement between the Elsinore Valley Municipal Water District and AFV, dated December 28, 2006 (the "AFV Lease"), and this Lease Agreement is subject to the AFV Lease; and

WHEREAS, the Leased Premises constitute a public capital improvement, as that term is defined in the Bond Law; and

WHEREAS, the Southwest Communities Financing Authority issued its 2008 Lease Revenue Bonds, Series A (County of Riverside Capital Projects) (the "2008 Bonds") for the purpose of financing the Animal Shelter; and

WHEREAS, the Authority shall lease the Leased Premises to the County for the purpose (among others) of operating an animal shelter and for the purpose of expanding the County's public health laboratory and the rent thereon shall provide amounts sufficient to pay the principal of and interest on the Bonds (as defined herein); and

WHEREAS, for the purpose of providing moneys to acquire or construct the County Facilities and to refinance the construction and furnishing of the Animal Shelter on an advance basis, the Authority proposes to issue its \$ _____ aggregate principal amount of 2017 Lease Revenue Bonds, Series B (County of Riverside Capital Projects) (the "Series B Bonds") and its \$ _____ aggregate principal amount of 2017 Lease Revenue Bonds, Series C (County of Riverside Capital Projects) (the "Series C Bonds," and together with the Series B Bonds, the "Bonds") under that certain Indenture of Trust dated as of December 1, 2017 (the "Indenture") by and between the Authority and U.S. Bank National Association, as trustee; and

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

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

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

ARTICLE I DEFINITIONS; RULES OF INTERPRETATION

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. In addition, all capitalized terms used herein and not otherwise defined in this Section 1.01 shall have the respective meanings given such terms in the Lease Agreement.

“Authority” means the Riverside County Infrastructure Financing Authority, a joint powers authority duly organized and existing under the laws of the State.

“Authorized Representative” means: (a) with respect to the Authority, its Chairperson, Vice Chairperson, Program Administrator, Controller, or Treasurer, or any other person designated as an Authorized Representative of the Authority by a Written Certificate of the Authority signed by its Chairperson, Vice Chairperson, Program Administrator, Controller, or Treasurer and filed with the County and the Trustee; and (b) with respect to the County, its Chairman of the Board of Supervisors, Vice Chairman, County Executive Officer, Deputy County Executive Officer or any other person designated as an Authorized Representative of the County by a Written Certificate of the County signed by its Chairman of the Board of Supervisors, Vice Chairman, County Executive Officer, Deputy County Executive Officer and filed with the Authority and the Trustee.

“Bond Counsel” means (a) Best Best & Krieger LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

“Bond Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.01.

“Bond Law” means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as in existence on the Closing Date or as thereafter amended from time to time.

“Bond Year” means each twelve-month period extending from May 2 in one calendar year to May 1 of the succeeding calendar year, both dates inclusive; except that the first Bond Year shall commence on the Closing Date and extend to and include May 1, ____.

“Bonds” means the Series B Bonds and the Series C Bonds authorized by and at any time Outstanding pursuant to this Indenture.

“Book-Entry Depository” means DTC or any successor as Book-Entry Depository for the Bonds, appointed pursuant to Section 2.11.

“Business Day” means a day (other than a Saturday or a Sunday) on which banks are not required or authorized to remain closed in the city in which the Office of the Trustee is located.

“Closing Date” means _____, 2017, being the date of delivery of the Bonds to the Original Purchaser.

“Costs of Issuance” means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds and the application of the proceeds of the Bonds, including but not limited to all compensation, fees and expenses (including but not limited to fees and expenses for legal counsel) of the Authority, initial fees and expenses of the Trustee and its counsel, title insurance premiums, appraisal fees, compensation to any financial consultants or

underwriters, legal fees and expenses, filing and recording costs, rating agency fees, costs of preparation and reproduction of documents and costs of printing.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“County” means the County of Riverside.

“Debt Service” means, during any period of computation, the amount obtained for such period by totaling the following amounts: (a) the principal amount of all Outstanding Serial Bonds coming due and payable by their terms in such period; (b) the minimum principal amount of all Outstanding Term Bonds scheduled to be redeemed by operation of mandatory sinking fund deposits in such period; and (c) the interest which would be due during such period on the aggregate principal amount of Bonds which would be Outstanding in such period if the Bonds are retired as scheduled, but deducting and excluding from such aggregate amount the amount of Bonds no longer Outstanding.

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

“Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated the date hereof, among the County, Southwest Communities Financing Authority and the Escrow Bank.

“Escrow Bank” means the Bank of New York Mellon Trust Company N.A., as escrow bank under the Escrow Agreement.

“Escrow Fund” means the fund by that name established under the Escrow Agreement to cause the redemption of the 2008 Bonds.

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

“Facilities” means the County Facilities and the AFV Facilities.

“Fair Market Value” means, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code; (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code; or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

“Federal Securities” means:

(a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), the payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America;

(b) any obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; and

(c) pre-refunded municipal obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and (i) which are rated, based on the escrow, in the highest rating category of S&P and Moody's or any successors thereto; or (ii)(A) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraphs (a) or (b) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

“Indenture” means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture pursuant to the provisions hereof.

“Independent Accountant” means any certified public accountant or firm of certified public accountants appointed and paid by the Authority or the County, and who, or each of whom (a) is in fact independent and not under domination of the Authority or the County; (b) does not have any substantial interest, direct or indirect, in the Authority or the County; and (c) is not connected with the Authority or the County as an officer or employee of the Authority or the County but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the County.

“Information Services” means in accordance with then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>), or such service or services as the Issuer may designate in a certificate delivered to the Trustee.

“Insurance and Condemnation Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.08.

“Interest Account” means the account by that name established in the Bond Fund pursuant to Section 5.02.

“Interest Payment Date” means each May 1 and November 1 commencing May 1, 2018.

“Lease Agreement” means that certain Lease Agreement, dated as of December 1, 2017, by and between the Authority, as lessor, and the County, as lessee.

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

“Net Proceeds” means all amounts derived from any policy of casualty insurance or title insurance with respect to the Leased Premises, or the proceeds of any taking of the Leased Premises or any portion thereof in eminent domain proceedings (including sale under threat of such proceedings), to the extent remaining after payment therefrom of all expenses incurred in the collection and administration thereof.

“Office” means with respect to the Trustee, the corporate trust office of the Trustee at 633 West Fifth Street, 24th Floor, Los Angeles, CA 90071, or at such other or additional offices as may be specified in writing to the Authority and the County, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“Original Purchaser” means Wells Fargo Securities as the original purchasers of the Bonds upon their delivery by the Trustee on the Closing Date.

“Outstanding”, when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.11) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Section 11.11; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

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

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

1. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

2. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- a. Farmers Home Administration (FmHA)
Certificates of beneficial ownership
- b. Federal Housing Administration Debentures (FHA)
- c. General Services Administration
Participation certificates
- d. Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GHMA - guaranteed pass-through obligations (participation certificates)
(not acceptable for certain cash-flow sensitive issues.)
- e. U.S. Maritime Administration
Guaranteed Title XI financing
- f. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds

3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- a. Federal Home Loan Bank System
Senior debt obligations (Consolidated debt obligations)
- b. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mae")
Participation Certificates (Mortgage-backed securities)
Senior debt obligations
- c. Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal).
- d. Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations
- e. Resolution Funding Corp. (REFCORP) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

f. Farm Credit System
Consolidated systemwide bonds and notes

4. Money market funds registered under the Federal Investment Company of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAAm, or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2 including funds for which the Trustee or an affiliate advises or services.

5. Certificates of deposit secured at all times by collateral described in (1) and/or (2) above. CD's must have a one year or less maturity. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks (which may include the Trustee and its affiliates) whose term obligations are rated "A-1" or better by S&P and "Prime-1" by Moody's.

The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

6. Certificates of deposit, savings accounts, deposit accounts or money market deposits (which may include the Trustee and its affiliates) which are fully insured by FDIC, including BIF and SAIF.

7. Investment agreements with a domestic or foreign bank or corporation, the long-term debt or financial strength of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guarantee insurance company, financial strength, of the guarantor is rated in at least the "double A" category by Moody's and S&P; provided, that, by the terms of the investment agreement:

a. interest payments are to be made to the Trustee at all times and in the amounts as necessary to pay debt service, or for the Reserve Account, applied as directed in Section 5.06 hereof (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

b. the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Issuer and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

c. the investment agreement shall state that it is the unconditional and general obligation of; and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *pari passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

d. the Issuer or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and Trustee) that such investment agreement is

legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in a form and substance acceptable by the Issuer;

e. the investment agreement shall provide that if during its term

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (a) collateralize the investment agreement by delivering or transferring in accordance with the applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (b) repay the principal of and accrued but unpaid interest on the investment (including such other amounts as are required to permit the Trustee to receive the initially contemplated yield through the term of the Agreement), or (c) assign its obligations thereunder to a financial counter-party, acceptable to the Issuer, and rated in the double A category by both Moody's and S&P; and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Issuer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer or Trustee; and

f. the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

g. the investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligation under the investment agreement shall, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Issuer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate; and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and the

amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate; or

8. Commercial paper rated "Prime-1" by Moody's and "A-1+" or better by S&P.

9. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in the highest long-term rating categories assigned by such agencies unless such obligations are issued by the State, in which case such obligations are rated in one of the two highest long-term rating categories of S&P and Moody's.

10. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1+" or better by S&P.

11. Repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee (buyer/lender), and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date.

Repurchase Agreements must satisfy the following criteria:

a. Repos must be between the municipal entity and a dealer bank or securities firm.

(i) Primary dealers on the Federal Reserve reporting dealer list which fall under the jurisdiction of the SIPC and which are rated A or better by Standard & Poor's Ratings Group and Moody's, or

(ii) Banks rated "A" or above by Standard & Poor's Ratings Group and Moody's Investor Services.

b. The written repo contract must include the following:

(i) Securities which are acceptable for transfer are:

(A) Direct U.S. governments.

(B) Federal agencies backed by the full faith and credit of the U.S. Government (and FNMA & FHLMC).

(ii) The term of the repo maybe up to 30 years.

(iii) The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

(iv) The trustee has perfected first priority security interest in the collateral.

(v) Collateral is free and clear of third-party liens and in the case of SIPC broker was not acquired pursuant to a repo or reverse repo.

(vi) Failure to maintain the requisite collateral percentage, after a two day restoration period, will require the trustee to liquidate collateral.

(vii) Valuation of Collateral

(A) The securities must be valued weekly, marked-to-market at a current market price plus interest.

(B) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

c. Legal opinion which must be delivered to the municipal entity:

Repo meets guidelines under state law for legal investment of public funds.

12. Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P. If, however, the issue is only rated by S&P (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

13. County of Riverside Investment Pool.

14. State of California Local Agency Investment Fund (LAIF).

“Principal Account” means the account by that name established in the Bond Fund pursuant to Section 5.02.

“Project Fund” means the Project Fund established pursuant to Section 3.04 hereof.

“Record Date” means, with respect to any Interest Payment Date, the fifteenth (15th) calendar day of the month preceding such Interest Payment Date whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established pursuant to Section 5.07.

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

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

“Revenues” means: (a) all amounts received by the Authority or the Trustee pursuant to or with respect to the Lease Agreement, including, without limiting the generality of the foregoing, all of the Lease Payments (including both timely and delinquent payments, any late charges, and whether paid from any source), but excluding any amounts payable under Section 4.07(d) of the Lease Agreement; and (b) all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Indenture.

“S&P” means Standard & Poor’s Rating Services, a division of the McGraw Hill Companies, Inc., its successors and assigns.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attn. Call Notification Department, Fax (212) 855-7232 in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

“Serial Bonds” means the Series B Bonds maturing on May 1 in each of the years _____ through _____, inclusive, and the Series C Bonds maturing in May 1 in each of the years _____ through _____, inclusive.

“Series B Bonds” means the \$ _____ aggregate principal amount of Riverside County Infrastructure Financing Authority 2017 Lease Revenue Bonds, Series B (County of Riverside Capital Projects) authorized by and at any time Outstanding pursuant to this Indenture.

“Series C Bonds” means the \$ _____ aggregate principal amount of Riverside County Infrastructure Financing Authority 2017 Lease Revenue Bonds, Series C (County of Riverside Capital Projects) authorized by and at any time Outstanding pursuant to this Indenture.

“Sinking Account” means the account by that name established and held by the Trustee pursuant to Section 5.02.

“State” means the State of California.

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

“Tax Code” means the Internal Revenue Code of 1986, as amended.

“Tax Regulations” means temporary and permanent regulations promulgated under or with respect to Sections 103 and 141 through 150, inclusive, of the Tax Code.

“Term Bonds” means the Series B Bonds maturing on May 1, _____ and the Series C Bonds maturing May 1, _____.

“Trustee” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee hereunder as provided in Section 8.01.

“Undertaking to Provide Continuing Disclosure” means, as applicable, that certain Certificate of the Authority or the County, as applicable, by that name and dated as of the Closing Date.

“Written Certificate”, “Written Request” and “Written Requisition” of the Authority or the County mean, respectively, a written certificate, request or requisition signed in the name of the Authority or the County by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“2008 Bonds” means the \$15,105,000 original principal amount of Southwest Communities Financing Authority 2008 Lease Revenue Bonds, Series A (County of Riverside Capital Project).

Section 1.02 Interpretation.

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

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

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

ARTICLE II THE BONDS

Section 2.01 Authorization of Bonds. The Authority hereby authorizes the issuance hereunder of the Bonds, which shall constitute special obligations of the Authority, for the purpose of providing funds to the Authority to finance the lease by the Authority of the Leased Premises and the construction and acquisition of the County Facilities located on the County Site

and the refinancing of the AFV Facilities located on the AFV Site. The Bonds are hereby designated the "Riverside County Infrastructure Financing Authority 2017 Lease Revenue Bonds (County of Riverside Capital Project)," issued as \$_____ aggregate principal amount of Series B Bonds and \$_____ aggregate Principal Amount of Series C Bonds. This Indenture constitutes a continuing agreement with the Trustee and the Owners from time to time of the Bonds to secure the full payment of the principal of and interest and premium (if any) on all the Bonds, subject to the covenants, provisions and conditions herein contained.

Section 2.02 Terms of the Bonds. The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Bonds shall mature on May 1 in each of the years and in the amounts set forth below and shall bear interest on each Interest Payment Date at the rates set forth below:

Series B Bonds

Maturity Date (<u>May 1</u>)	Principal <u>Amount</u>	Interest <u>Rate</u>
---	------------------------------------	---------------------------------

Series C Bonds

Maturity Date (<u>May 1</u>)	Principal <u>Amount</u>	Interest <u>Rate</u>
---	------------------------------------	---------------------------------

Interest on the Bonds shall be payable semi-annually calculated based on a 360-day year of twelve thirty day months on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed on the applicable Interest Payment Date by first class mail to the Owner at the address of such Owner as its appears on the Registration Books; provided however, that payment of interest may be by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee at least five (5) days before the applicable Record Date. Principal of any Bond and any premium upon redemption shall be paid by check of the Trustee

upon presentation and surrender thereof at the Office of the Trustee. Principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Each Bond shall be dated as of the date of authentication thereof, and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before April 15, 2018, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee. Transfer of any Bond shall not be permitted by the Trustee during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption pursuant to Article IV. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds for a like aggregate principal amount and of like maturity. The Trustee may require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer or exchange shall be paid by the County.

Section 2.04 Exchange of Bonds. Any Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of like maturity. Exchange of any Bond shall not be permitted during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption pursuant to Article IV. The Trustee shall require the Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer or exchange shall be paid by the County.

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

Section 2.06 Form and Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the manual or facsimile signature of its Chairperson and attested with the manual or facsimile signature of its Secretary or any assistant duly appointed by the Authority, under the printed seal of the Authority, and shall be delivered to the Trustee for

authentication by it. In case any officer of the Authority who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though the individual who signed the same had continued to be such officer of the Authority. Also, any Bond may be signed on behalf of the Authority by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

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

Section 2.07 Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.08 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it and destroyed. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Authority, at the expense of the Owner of such lost, destroyed or stolen Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof). The Trustee may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.08 and of the expenses which may be incurred by the County, the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section 2.08 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged

to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

Section 2.09 Cancellation of Bonds. All Bonds properly surrendered to the Trustee for payment upon maturity or for redemption shall upon payment therefor or redemption thereof be cancelled immediately as more particularly provided in Section 11.05 hereof.

Section 2.10 CUSIP Numbers. "CUSIP" identification numbers shall be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Bonds. In addition, failure on the part of the Authority to use such CUSIP numbers in any notice to Owners shall not constitute an Event of Default or any violation of the Authority's contract with such Owners and shall not impair the effectiveness of any such notice.

Section 2.11 Book-Entry Bonds.

(a) The Bonds shall be initially issued in the form of a single, separate fully registered Bond (which may be typewritten) in the full aggregate principal amount for each maturity of the Bonds, and upon initial issuance, the ownership of such Bonds shall be registered in the Bond register in the name of Cede & Co., as nominee of DTC, the initial Book-Entry Depository. Except as provided in the immediately preceding sentence or in subsection (e) of this Section, all of the Bonds shall be registered in the Bond register in the name of Cede & Co., or such other nominee of DTC or any successor Book-Entry Depository or the nominee thereof, as shall be specified pursuant to the applicable Representation Letter.

(b) With respect to Bonds registered in the Bond register in the name of the Book-Entry Depository, or its nominee, the Authority shall have no responsibility or obligation to any participant or to any person on behalf of which such a participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Authority shall have no responsibility or obligation with respect to the accuracy of the records of the Book-Entry Depository, the nominee of the Book-Entry Depository or any participant with respect to any ownership interest in the Bonds, the delivery to any participant or any other person, other than a holder as shown in the Bond register, of any notice with respect to the Bonds, or the payment to any participant or any other person, other than an Owner as shown in the Bond register, of any amount with respect to principal of or interest on the Bonds. The Authority may treat and consider the person in whose name each Bond is registered in the Bond register as the Owner and absolute owner of such Bond for the purpose of payment of principal and interest on such Bond and for all other purposes whatsoever.

(c) The Trustee shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Bond register on the applicable Record Date, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the obligations with respect to the payment of principal of and interest on the Bonds under this Indenture and the Bonds to the extent of the sums so paid. Upon delivery by the Book-Entry Depository to the Authority of written notice to the effect that the Book-Entry Depository has determined to substitute a new nominee in place of

the incumbent nominee, and subject to the provisions herein with respect to Record Dates, the word nominee in this Indenture shall refer to such new nominee of the Book-Entry Depository.

(d) In order to qualify the Bonds for the Book-Entry Depository's book-entry system, the Program Administrator or the Treasurer of the Authority is hereby authorized to execute and deliver on behalf of the Authority to the Book-Entry Depository a Representation Letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of the Representation Letter shall not in any way limit the provisions of subsection (b) of this Section or in any other way impose upon the Authority any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners as shown in the Bond register. In addition to the execution and delivery of the Representation Letter, the officers of the Authority, and their authorized representatives, each are hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for each Book-Entry Depository's book-entry program.

(e) In the event (i) the incumbent Book-Entry Depository determines not to continue to act as Book-Entry Depository for the Bonds, or (ii) the Authority determines that the incumbent Book-Entry Depository shall no longer so act, and delivers a written certificate to the incumbent Book-Entry Depository to that effect, then the Authority will discontinue the book-entry system for the Bonds with the incumbent Book-Entry Depository. If the Authority determines to replace the incumbent Book-Entry Depository with another qualified Book-Entry Depository, the Authority shall prepare or direct the preparation of and execute, and the Trustee shall authenticate and deliver, a new single, separate fully registered bond (which may be typewritten) for the aggregate outstanding principal amount for each maturity of the Bonds held by the incumbent Book-Entry Depository, registered in the name of such successor or substitute qualified Book-Entry Depository or its nominee, or make such other arrangement acceptable to the Authority and the successor Book-Entry Depository as are not inconsistent with the terms of this Indenture. If the Authority fails to identify another qualified successor Book-Entry Depository to replace the incumbent Book-Entry Depository, then the Bonds shall no longer be restricted to being registered in the Bond register in the name of the Book-Entry Depository or its nominee, but shall be registered in whatever name or names the Book-Entry Depository or its nominee shall designate. In such event the Authority shall prepare or direct the preparation of and execute, and the Trustee shall authenticate and deliver to the Owners thereof, such Bonds as are necessary to carry out the transfers and exchanges provided in this Indenture. All such Bonds shall be in fully registered form in denominations authorized hereunder.

(f) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Book-Entry Depository or its nominee, all notices and payments with respect to principal of and interest on such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Book-Entry Depository.

ARTICLE III ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01 Issuance of the Bonds. At any time after the execution of this Indenture, the Authority may execute and the Trustee shall authenticate and, upon the Written Request of

the Authority, deliver Series B Bonds in the aggregate principal amount of _____ Dollars (\$ _____) and Series C Bonds in the aggregate principal amount of _____ Dollars (\$ _____).

Section 3.02 Application of Proceeds at Closing. (a) The proceeds received from the sale of the Series B Bonds (being \$ _____ in par amount of Series B Bonds, less \$ _____ in Purchaser's discount, and less \$ _____ in original issue discount, [plus the amount of \$ _____ contributed by the Authority]) shall be deposited in trust with the Trustee, who shall forthwith deposit such proceeds on the Closing Date as follows:

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

[(ii) the Trustee shall deposit the amount of \$ _____ in the Issuer's Costs of Issuance Sub-Account;]

(iii) the Trustee shall deposit the amount of \$ _____ to the Bond Proceeds Fund.

(b) The proceeds received from the sale of the Series C Bonds (being \$ _____ in par amount of Series C Bonds, less \$ _____ in Purchaser's discount, and less \$ _____ in original issue discount, [plus the amount of \$ _____ contributed by the Authority]) shall be deposited in trust with the Trustee, who shall forthwith deposit such proceeds on the Closing Date as follows:

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

[(ii) the Trustee shall deposit the amount of \$ _____ in the Issuer's Costs of Issuance Sub-Account;]

(iii) the Trustee shall deposit the amount of \$ _____ to the Project Fund.

For record keeping purposes, the Trustee may establish such accounts as may be necessary to reflect such transfer of proceeds.

Section 3.03 Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund" and within such Costs of Issuance Fund, the "Issuer's Costs of Issuance Sub-Account." The moneys in the Costs of Issuance Fund and the Issuer's Costs of Issuance Sub-Account shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon submission of Written Requisitions of the County or the Authority in a form acceptable to the Trustee stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Requisition of the County or Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On May 1, 2018, or upon the earlier Written Request of the Authority, all amounts remaining in the Costs of

Issuance Fund shall be transferred by the Trustee to the Project Fund. [Any funds remaining in the Issuer's Costs of Issuance Sub-Account on May 1, 2018, shall be returned to the Authority and the Costs of Issuance Fund and Issuer's Costs of Issuance Sub-Account shall be closed.]

Section 3.04 Project Fund. The Trustee shall establish, maintain and hold in trust a separate fund to be known as the "Project Fund." The Trustee shall disburse moneys in the Project Fund from time to time upon receipt by the Trustee of a Written Requisition of the County, as agent of the Authority, which: (a) states with respect to each disbursement to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment will be made, (iii) the amount to be disbursed, (iv) that each obligation mentioned therein is a proper charge against the Project Fund and has not previously been disbursed by the Trustee from amounts in the Project Fund, (v) that all conditions precedent set forth in the Lease Agreement with respect to such disbursement have been satisfied, and (vi) that the amount of such disbursement is to purchase additional property or to improve the Leased Premises; and (b) specifies in reasonable detail the nature of the obligation. Each such Written Requisition of the County or Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Upon the filing with the Trustee of a Written Certificate of the Authority stating that the construction of any Facilities or the acquisition of any additional property has been completed or that all Written Requisitions intended to be filed by the Authority have been filed, the Trustee shall withdraw all amounts then on deposit in the Project Fund and transfer such amounts to the Bond Fund and close the Project Fund. Any funds deposited into the Bond Fund shall cause a corresponding proportionate credit to Lease Payments due from the County.

Section 3.05 Establishment and Application of Bond Proceeds Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Bond Proceeds Fund." The moneys in the Bond Proceeds Fund shall be used and withdrawn by the Trustee to transfer to the Escrow Bank on the Closing Date at the written direction of the Authority and the Bond Proceeds Fund shall thereupon be closed.

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

ARTICLE IV REDEMPTION OF BONDS

Section 4.01 Terms of Redemption.

(a) **Mandatory Sinking Account Redemption.** The Term Bonds are subject to mandatory redemption, in part by lot, from Mandatory Sinking Account payments set forth in the following schedule on May 1, _____ with respect to Series B Bonds which are Term Bonds maturing May 1, _____ and May 1, _____, with respect to Series C Bonds which are Term Bonds maturing May 1, _____, and on May 1 in each year thereafter to and including the

respective date of maturity, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the Term Bonds have been redeemed pursuant to subsections (b) or (c) below, the total amount of Mandatory Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Term Bonds so redeemed pursuant to this subsection (a) by reducing each such future Mandatory Sinking Account payment on a pro rata basis (as nearly as practicable) among series of Bonds and in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Authority with the Trustee.

Series B Bonds
Term Bonds Maturing May 1, _____

Mandatory Sinking Account	Principal Amount
Redemption Date	<u>to Be Redeemed</u>
<u>(May 1)</u>	

Series C Bonds
Term Bonds Maturing May 1, _____

Mandatory Sinking Account	Principal Amount
Redemption Date	<u>to Be Redeemed</u>
<u>(May 1)</u>	

In lieu of such redemption, the Trustee may apply amounts in the Sinking Account to the purchase of Term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as may be directed by the Authority prior to the selection of Bonds for redemption, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Term Bonds, as set forth in a Written Request of the Authority.

(b) Optional Redemption. (i) The Series B Bonds maturing on or after May 1, _____, shall be subject to redemption at the option of the Authority as a whole or in part, on any date on or after May 1, _____, from any available source of funds, a redemption price equal to the principal amount of the Series B Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption. (ii) The Series C Bonds maturing on or after May 1, _____, shall be subject to redemption at the option of the Authority as a whole or in part, on any date on or after May 1, _____, from any available source of funds, a redemption price equal to the

principal amount of the Series C Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption.

(c) Special Mandatory Redemption From Insurance or Condemnation Proceeds. The Bonds shall also be subject to redemption as a whole or in part on any date, from Net Proceeds required to be used for such purpose as provided in Section 5.08, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

Section 4.02 Selection of Bonds for Redemption. Except for Sinking Account Redemption pursuant to Section 4.01(a), whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds or such given portion thereof not previously called for redemption from such series and maturities, or portion of such maturities, as shall be set forth in a Written Request of the Authority filed with the Trustee, or in the absence of such designation of maturities by the Authority, then on a pro rata basis among series and maturities, and in any case, by lot within a maturity in any manner which the Trustee in its sole discretion shall deem to maintain substantially level debt service. For purposes of such selection, the Trustee shall treat each Bond as consisting of separate \$5,000 portions and each such portion shall be subject to redemption as if such portion were a separate Bond.

Section 4.03 Notice of Redemption. Notice of redemption shall be mailed by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books, and to the Securities Depositories and to one or more of the Information Services. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, the series of Bonds to be redeemed whether less than all of the Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers and, if less than all of the Bonds of a maturity are to be redeemed, Bond numbers of the Bonds to be redeemed, the maturity or maturities of the Bonds to be redeemed and in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered. Neither the failure to receive any notice nor any defect therein shall affect the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

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

Section 4.05 Conditional Notice of Optional Redemption of Bonds. With respect to the optional redemption of the Bonds pursuant to 4.01(b) the Authority may instruct the Trustee

to include a statement, the notice of redemption shall state that such redemption is conditioned upon the receipt by the Trustee on or before the date fixed for such redemption of sufficient funds for such purpose from any issue of refunding bonds. In the event that sufficient funds shall not have been deposited with the Trustee on or before the date fixed for redemption, the Trustee shall promptly notify the Owners of the Bonds by telephone, facsimile transmission or other form of telecommunication, promptly confirmed in writing; and thereupon such redemption and the notice thereof shall be deemed to be canceled and rescinded.

Section 4.06 Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee upon surrender thereof and destroyed.

ARTICLE V REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01 Pledge and Assignment; Bond Fund.

(a) There is hereby established the Bond Fund to be held by the Trustee for the benefit of the Authority and the Owners of the Bonds. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues and any other amounts (excluding the following: 1) proceeds of the sale of the Bonds; 2) any amounts in the Costs of Issuance Fund; 3) any Miscellaneous Rent paid by the County to the Authority pursuant to Section 4.07 of the Lease Agreement; and 4) excess earnings amounts to be rebated from Authority to United States of America and any such amounts paid to Authority by County for rebate to United States of America pursuant to Section 6.07 of this Indenture and Section 5.11 of the Lease Agreement) held in the Bond Fund or in any fund or account established pursuant to this Indenture are hereby pledged to secure the payment of the principal of and interest on all of the Bonds in accordance with their terms and the provisions of this Indenture, and such pledge is among the series of Bonds on a *pari passu* basis. Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act.

(b) The Authority hereby transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues, amounts deposited in the Bond Fund, and all of the rights of the Authority in the Lease Agreement (other than the rights of the Authority under Sections 4.07, 7.03 and 8.03 thereof). 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, subject to the provisions of Article VIII, take all steps, actions and proceedings which the Trustee determines to be 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 County under the Lease Agreement.

Section 5.02 Allocation of Revenues. On or before each date on which principal of or interest on the Bonds becomes due and payable, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Bond Fund), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such date on all Bonds then Outstanding.

(b) The Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such date.

(c) The Trustee shall deposit in the Sinking Account an amount equal to the aggregate principal amount of the Term Bonds required to be redeemed on such date, if any, pursuant to Section 4.01(a).

Section 5.03 Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

Section 5.04 Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at their respective maturity dates.

Section 5.05 Application of Sinking Account. All moneys on deposit in the Sinking Account shall be used and withdrawn by the Trustee for the sole purpose of redeeming or purchasing (in lieu of redemption) Term Bonds pursuant to Section 4.01(a).

Section 5.06 [Reserved].

Section 5.07 Application of Redemption Fund. When required the Trustee shall establish and maintain the Redemption Fund, amounts in which shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds to be redeemed pursuant to Sections 4.01(b) or (c); provided, however, that at any time prior to giving notice of redemption of any such Bonds, the Trustee may apply such amounts to the purchase of Bonds at

public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Written Request of the Authority received prior to the selection of Bonds for redemption, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

Section 5.08 Insurance and Condemnation Fund.

(a) Establishment of Fund. Upon the receipt of any proceeds of insurance or eminent domain with respect to any portion of the Leased Premises, the Trustee shall establish and maintain a separate Insurance and Condemnation Fund, to be held and applied as hereinafter set forth in this Section 5.08.

(b) Application of Insurance Proceeds. Any proceeds of insurance against accident to or destruction of the Facilities collected by the County in the event of any such accident or destruction shall be applied in accordance with Section 6.02(a) of the Lease Agreement. The County shall cause any such proceeds to be paid to the Trustee for deposit in the Insurance and Condemnation Fund. If the County fails to determine and notify the Trustee in writing of its determination, within forty-five (45) days following the date of such deposit, to replace, repair, restore, modify or improve the Facilities, then such proceeds shall be promptly transferred by the Trustee to the Redemption Fund and applied to the redemption of Bonds pursuant to Section 4.01(c); provided, however, that such redemption will occur only if the fair rental value of the remaining portion of the Leased Premises is sufficient to allow the County to continue to make Lease Payments in amounts sufficient to pay debt service on the Bonds that remain Outstanding after such redemption. Notwithstanding the foregoing sentence, however, in the event of damage or destruction of the Facilities in full, the proceeds of such insurance shall be used by the County to rebuild or replace the Facilities if such proceeds are not sufficient, together with other available funds then held by the Trustee, to redeem all of the Outstanding Bonds. All proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Redemption Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Facilities by the County, upon receipt of Written Requisitions of the County as agent for the Authority (i) stating with respect to each payment to be made (A) the requisition number, (B) the name and address of the person to whom payment is due, (C) the amount to be paid and (D) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal; (ii) specifying in reasonable detail the nature of the obligation; and (iii) accompanied by a bill or a statement of account for such obligation. Each such Written Requisition of the County or Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Any balance of the proceeds remaining after such work has been completed as certified by the County as agent for the Authority shall be paid to the County.

(c) Application of Eminent Domain Proceeds. If all or any part of the Leased Premises shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the proceeds therefrom shall be applied in accordance with Section 6.02(b) of the Lease Agreement. The County shall cause any such proceeds to be

paid to the Trustee for deposit in the Insurance and Condemnation Fund, to be applied and disbursed by the Trustee as follows:

(i) If the County has not given written notice to the Trustee, within forty-five (45) days following the date on which such proceeds are deposited with the Trustee, of its determination that such proceeds are needed for the replacement of the Leased Premises or such portion thereof, the Trustee shall transfer such proceeds to the Redemption Fund to be applied towards the redemption of the Bonds pursuant to Section 4.01(c).

(ii) If the County has given written notice to the Trustee, within forty-five (45) days following the date on which such proceeds are deposited with the Trustee, of its determination that such proceeds are needed for replacement of the Leased Premises or such portion thereof, the Trustee shall pay to the County, or to its order, from said proceeds such amounts as the County may expend for such replacement, upon the filing of Written Requisitions of the County as agent for the Authority in the form and containing the provisions set forth in subsection (b) of this Section 5.08 and upon which the Trustee may conclusively rely.

Section 5.09 Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments. Such investments shall be directed by the Authority pursuant to a Written Request of the Authority filed with the Trustee at least two (2) Business Days in advance of the making of such investments (which Written Request shall certify that the investments constitute Permitted Investments). In the absence of any such directions from the Authority, the Trustee shall invest any such moneys in Permitted Investments described in clause (g) of the definition thereof. Permitted Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the Bond Fund, except that interest or gain derived from the investment of the amount in the Reserve Account shall be retained therein to the extent required to maintain the Reserve Requirement. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee, or an affiliate, may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 5.09. Permitted Investments that are registered securities shall be registered in the name of the Trustee.

The Authority covenants that all investments of amounts deposited in any fund or account created-by or pursuant to this Indenture, or otherwise containing proceeds of the Bonds, shall be acquired and disposed of at the Fair Market Value thereof.

The Authority and the County acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority and the County, the right to receive brokerage confirmations of security transactions as they occur, the Authority and the County specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority and the County periodic cash

transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Section 5.10 Valuation and Disposition of Investments. For the purpose of determining the amount in any fund or account, all Permitted Investments credited to such fund or account shall be valued at the Fair Market Value thereof; provided, however, that investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code and investments in the Reserve Account shall be valued at their present value (within the meaning of Section 148 of the Tax Code), consisting generally of the cost thereof. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Authority.

Section 5.11 Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the "Rebate Fund" (herein called the "Rebate Fund"). Within the Rebate Fund, the Trustee shall maintain such accounts as it is instructed by the Authority as shall be necessary in order to comply with the terms and requirements of the Tax Certificate. Subject to the transfer provisions provided in paragraph (e) below, 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 Certificate), for payment to the federal government of the United States of America, and no other person shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 5.11, by Section 6.07 hereof and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the directions of the Authority, including supplying all necessary information in the manner provided in the Tax Certificate, shall not be required to take any actions thereunder in the absence of written directions by the Authority, and shall have no liability or responsibility to enforce compliance by the Authority or the County with the terms of the Tax Certificate.

(b) Upon the Authority's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the Authority if and to the extent required, so that the balance of the amount on deposit thereto shall be equal to the amount of rebate to be paid to the United States of America. Computations of such rebate amount shall be prepared by the Authority at the expense of the Authority in accordance with the Tax Certificate.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 5.11 other than from moneys held in the funds and accounts created under this Indenture or from other moneys provided to it by or on behalf of the Authority.

(d) The Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments as instructed in writing by the Authority, which instructions shall comply with the restrictions set forth in the Tax Certificate and Section 6.07 of this Indenture. Money shall not be transferred from the Rebate Fund except as provided in paragraph (e) below.

(e) The Trustee shall remit part or all of the balances in the Rebate Fund to the United States of America, as directed in writing by the Authority. In addition, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as directed by written directions from the Authority. Any funds remaining in the Rebate Fund after redemption or payment of all of the Bonds and payment and satisfaction of any amount of rebate to be paid, or provision made therefor satisfactory to the Trustee shall be withdrawn and remitted to the Authority upon the Authority's written request after having first paid any unreimbursed amounts owing to the Trustee of any amounts due under the Lease Agreement or this Indenture.

(f) Notwithstanding any other provision of this Indenture, the obligation to remit the rebate amounts to the United States of America and to comply with all other requirements of this Section 5.11, Section 6.07 hereof and the Tax Certificate shall survive the defeasance or payment in full of the Bonds.

ARTICLE VI PARTICULAR COVENANTS

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

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

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

Section 6.04 Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee

shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whosoever.

Section 6.05 Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds, the Revenues, the Lease Agreement and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority, and the County, during business hours, upon reasonable notice, and under reasonable circumstances. The Trustee shall deliver a monthly account of the funds and accounts hereunder to the Authority, provided that the Trustee shall not be obligated to deliver any accounting of any fund or account that (a) has a balance of zero and (b) has not had any activity since the last reporting date.

Section 6.06 Additional Obligations. The Authority may issue additional bonds, notes or other indebtedness which are payable out of the Revenues in whole or in part pursuant to Section 9.01(b)(v) hereof, for purposes of completing or expanding the Facilities, so long as no Event of Default hereunder has occurred and is continuing and provided that the conditions of Section 8.03(v) of the Lease Agreement have been satisfied.

Section 6.07 Tax Covenants.

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

(b) The Authority covenants and agrees that it will not make or permit any use of the proceeds of the Bonds or other funds of the Authority which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code, and further covenants that it will observe and not violate the requirements of Sections 145 and 148 of the Code. The Trustee shall be entitled to receive and to rely upon a Counsel’s Opinion as to the conformity of any use or proposed use of the proceeds of the Bonds with the requirements of said Sections 145 and 148 of the Code.

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

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

(e) The Authority covenants that, from the proceeds of the Bonds and investment earnings thereon, an amount not in excess of two percent (2%) of the proceeds of the Bonds will be used for costs of issuance of the Bonds, all within the meaning of Section 147(g)(1) of the Code. For this purpose, if the fees of the original purchaser of the Bonds are retained as a discount on the purchase of the Bonds, such retention shall be deemed to be an expenditure of proceeds of the Bonds for said fees.

(f) Notwithstanding any provision of this Section, if the Authority shall provide to the Trustee, an opinion of Bond Counsel that any action required under Section 5.11 or this Section 6.07 is no longer required, or that some further action is required to maintain the Tax-exempt status of interest on the Bonds, the Trustee and the Authority may rely conclusively on such opinion in complying with the requirements of this Section, and the covenants contained herein shall be deemed to be modified to that extent.

(g) The Facilities are a property of the character subject to the allowance for depreciation under Section 167 of the Code.

Section 6.08 Lease Agreement. The Trustee shall promptly collect all amounts due from the County pursuant to the Lease Agreement. Subject to the provisions of Article VIII, the Trustee shall enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Authority and for the enforcement of all of the obligations of the County under the Lease Agreement.

Section 6.09 Payment. Notwithstanding any dispute between the Authority and the Trustee, the Authority will make all payments on the Bonds when due and will not withhold any payments on the Bonds pending the final resolution of such dispute or for any other reason whatsoever. The Authority's obligation to make payments on the Bonds in the amount and on the terms and conditions specified hereunder will be absolute and unconditional without any right of set off or counterclaim, subject only to the provisions relating to abatement pursuant to the Lease Agreement.

Section 6.10 Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming the rights and benefits provided in this Indenture to the Bond Owners.

Section 6.11 Leased Premises. If an event of abatement occurs pursuant to Section 6.03 of the Lease Agreement, the County shall use its best efforts to the extent permissible under the laws of the State of California to make all lease payments in excess of the amount of rental interruption insurance, if necessary, in order to ensure the reconstruction, repair, restoration, modification or improvement of the Leased Premises; provided, however, that the County shall not be required to repair or replace any such portion of the Leased Premises pursuant to this Section 6.11 if Proceeds or other legally available funds sufficient to prepay shall be applied to the redemption of Bonds (i) all of the Bonds Outstanding or (ii) any portion thereof relating to the Leased Premises or such portion thereof and the Lease Payments allocable to the remaining

portion of the Leased Premises equals the pro-rata portion of Lease Payments allocable to the Bonds Outstanding after such redemption.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

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

(a) Default in the due and punctual payment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Default in the due and punctual payment of any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee; provided, however, that if in the reasonable opinion of the Authority the default stated in the notice can be corrected, but not within such sixty (60) day period, such default shall not constitute an Event of Default hereunder if the Authority shall commence to cure such default within such sixty (60) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The occurrence and continuation of an event of default under and as defined in the Lease Agreement.

Section 7.02 No Acceleration Upon Event of Default. If any Event of Default shall occur there shall be no right on the part of the Trustee, or the Bondholders to declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately.

Section 7.03 Application of Revenues and Other Funds After Default. Notwithstanding anything to the contrary contained herein, if an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel, agents and advisors) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if

only partially paid, or surrender thereof if fully paid) in accordance with the provisions of this Indenture, as follows:

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

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

Section 7.04 Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, this Indenture and applicable provisions of any law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, with the prior written consent of the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, the Trustee shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Bonds, this Indenture or any other law. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

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

Section 7.05 Bond Owners' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in

writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would expose it to liability.

Section 7.06 Limitation on Bond Owners' Right to Sue. Notwithstanding any other provision hereof, no Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Lease Agreement or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Lease Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 7.07 Absolute Obligation of Authority. Nothing in Section 7.06 or in any other provision of this Indenture or in the Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest and premium (if any) on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.08 Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Bond Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bond Owners, then in every such case the Authority, the Trustee, and the Bond Owners, 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 Trustee, and the Bond Owners shall continue as though no such proceedings had been taken.

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

Section 7.10 No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee, or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII THE TRUSTEE

Section 8.01 Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture and no implied duties or covenants shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Authority may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and the Authority shall remove the Trustee if at any time requested to do so by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section 8.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and the County and thereupon shall appoint a successor Trustee by an instrument in writing. In addition, the Trustee may be removed at any time for any breach of the trust herein set forth. Any such removal shall be made upon at least thirty (30) days' prior written notice to the Trustee. Upon giving such written notice of removal, the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority, and to the County and by giving the Bond Owners notice of such resignation by

mail at the addresses shown on the Registration Books. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that no removal resignation or termination of the Trustee shall take effect until a successor shall be appointed. 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 Authority shall, and the Trustee may, petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Authority 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 or cause the successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to the Bond Owners at the addresses shown on the Registration Books. If the Authority fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under this Indenture shall be a corporation or association organized and doing business under the laws of any state or the United States of America or the District of Columbia, authorized under such laws to exercise corporate trust powers, which shall have (or, in the case of a corporation or association included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least Seventy-Five Million Dollars (\$75,000,000), and subject to supervision or examination by federal or State agency, so long as any Bonds are Outstanding. If such corporation or association publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining agency above referred to then for the purpose of this subsection (e), the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(f) The Authority covenants that it will maintain a Trustee qualified under the provisions of the foregoing subsection (e), so long as any Bonds are Outstanding.

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

Section 8.03 Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Bonds or the Lease Agreement, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

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

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

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

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder, or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until it shall have actual knowledge thereof, or shall have received written notice thereof, at its Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or

observance by the Authority or the County of any of the terms, conditions, covenants or agreements herein, under the Lease Agreement or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default. The Trustee shall not be responsible for the validity, effectiveness or priority of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be required to ascertain or inquire as to the performance or observance by the County and the Authority of the terms, conditions, covenants or agreements set forth in the Lease Agreement, other than the covenants of the County to make Additional Lease Payments to the Trustee when due and to file with the Trustee, when due, such reports and certifications as the County is required to file with the Trustee thereunder.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(h) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of Owners pursuant to this Indenture, unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(i) Whether or not therein expressly so provided, every provision of this Indenture and the Lease Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of Section 8.01(a), this Section 8.03 and Section 8.04 hereof.

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

(k) The Trustee makes no representation or warranty, expressed or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or the County of the Leased Premises. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Lease Agreement or this Indenture for the existence, furnishing or use of the Leased Premises.

(l) The Trustee may establish such funds and accounts hereunder as it deems necessary or appropriate to perform its obligations hereunder.

(m) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority or County elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority and the County agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(n) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

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

Section 8.04 Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, requisition, consent, order, certificate, report, opinion, bonds or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein

specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate, Written Request or Written Requisition of the Authority or the County, and such Written Certificate, Written Request or Written Requisition shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Certificate, Written Request or Written Requisition, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

Section 8.05 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in their respective possession and shall be subject at all reasonable times to the inspection of the Authority, the County and any Bond Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 8.06 Compensation and Indemnification. The Authority shall pay to the Trustee (solely from Miscellaneous Rent) from time to time the compensation for all services rendered under this Indenture and also all reasonable expenses and disbursements, incurred in and about the performance of its powers and duties under this Indenture.

To the extent permitted by law, the Authority shall indemnify, defend and hold harmless the Trustee and its officers, directors, agents and employees, against any loss, liability or expense (including legal fees and expenses) incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the Authority under this Section 8.06 shall survive the discharge of the Bonds and this Indenture and the resignation or removal of the Trustee.

ARTICLE IX MODIFICATION OR AMENDMENT HEREOF

Section 9.01 Amendments Permitted.

(a) This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the Authority and the Trustee may enter into when the written consents of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then

Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(b) This Indenture and the rights and obligations of the Authority, of the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners, if the Trustee has been furnished an opinion of counsel that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Bonds, including, without limitation, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners, in the opinion of Bond Counsel filed with the Trustee;

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

(iv) to modify, amend or supplement this Indenture in such manner as to cause interest on the Bonds to remain excludable from gross income under the Tax Code; or

(v) to facilitate the issuance of additional bonds of the Authority secured by Lease Payments of the County pursuant to Section 8.03(v) of the Lease Agreement.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section 9.01 which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

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

(e) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section which materially

adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

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

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

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

ARTICLE X DEFEASANCE

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

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

If the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority, then and in that case, at the election of the Authority (evidenced by a Written

Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Indenture), and notwithstanding that any of such Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture with respect to such Bonds and all covenants, agreements and other obligations of the Authority under this Indenture with respect to such Bonds shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Written Request of the Authority, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the County all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment or redemption of any of such Bonds not theretofore surrendered for such payment or redemption.

Section 10.02 Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 10.04.

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

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

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

(b) non-callable Federal Securities, the principal of and interest on which when due will, in the written opinion of an Independent Accountant filed with the County, the Authority and the Trustee, provide money sufficient to pay the principal of and interest and premium (if any) on the Bonds to be paid or redeemed, as such principal, interest and premium become due, provided that in the case of Bonds which are to be redeemed prior to the maturity thereof, notice

of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that (i) the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Written Request of the Authority) to apply such money to the payment of such principal, interest and premium (if any) with respect to such Bonds, and (ii) the Authority shall have delivered to the Trustee an opinion of Bond Counsel to the effect that such Bonds have been discharged in accordance with this Indenture (which opinion may rely upon and assume the accuracy of the Independent Accountant's opinion referred to above).

Section 10.04 Unclaimed Funds. Notwithstanding any provisions of this Indenture, and subject to applicable provisions of State law, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two (2) years after the principal of such Bonds has become due and payable (whether at maturity or upon call for redemption as provided in this Indenture), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when such Bonds became due and payable, shall be repaid to the Authority free from the trusts created by this Indenture upon receipt of a Written Request of the Authority, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee shall (at the cost of the County) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI MISCELLANEOUS

Section 11.01 Liability of Authority Limited to Revenues. Notwithstanding anything in this Indenture or in the Bonds contained, the Authority shall not be required to advance any moneys derived from any source other than the Revenues under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any legally available funds of the Authority which may be made available to it for such purposes.

Section 11.02 Limitation of Rights to Parties and Bond Owners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the County, and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the County, and the Owners of the Bonds.

Section 11.03 Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of

such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof.

Section 11.04 Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05 Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law, and deliver a certificate of such destruction to the Authority upon its request.

Section 11.06 Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.07 Notices. All written notices to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) otherwise, upon actual receipt. The Authority, the County, or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Authority: Riverside County Infrastructure Financing Authority
4080 Lemon Street
Riverside, CA 92501-3679
Attention: Executive Director

If to the County: County of Riverside
4080 Lemon Street
Riverside, CA 92501-3679
Attention: Deputy County Executive Officer

If to the Trustee: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust Services

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

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

The ownership of Bonds shall be proved by the Registration Books.

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

Section 11.09 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Authority or the County, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the County or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the County or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the

Authority and the County shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 11.10 Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest or principal due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04 hereof but without any liability for interest thereon.

Section 11.11 Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest or premium (if any) on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 11.12 Benefit of Parties. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Authority, the County, the Trustee, and the registered Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the County, the Trustee, and the registered Owners of the Bonds.

Section 11.13 Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.14 Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.15 Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

(Signature page follows)

IN WITNESS WHEREOF, the RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY has caused this Indenture to be signed in its name by its Chairman, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its name by its officer thereunto duly authorized, all as of the day and year first above written.

RIVERSIDE COUNTY INFRASTRUCTURE
FINANCING AUTHORITY

By _____
Chairman

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Officer

*-Signature Page-
Indenture of Trust*

EXHIBIT A
FORM OF BOND
SERIES B

No. R- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY
2017 LEASE REVENUE BONDS, SERIES B
(COUNTY OF RIVERSIDE CAPITAL PROJECTS)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
_____%			

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the registered owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth day of the month preceding such interest payment date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before April 15, 2018 in which event it shall bear interest from the Date of Delivery; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, at the Interest Rate per annum specified above, payable semiannually on each May 1 and November 1, commencing May 1, 2018 (collectively, the "Interest Payment Dates"), calculated on the basis of a 360-day year composed of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender hereof at the corporate trust office (the "Office") of U.S. Bank National Association, as trustee (the "Trustee"), in Los Angeles, California or such other place as designated by the Trustee. Interest hereon is payable by check of the Trustee mailed on the applicable Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as

of the close of business on the fifteenth day of the month preceding each Interest Payment Date (a "Record Date"), or, upon written request filed with the Trustee (at least five days prior) to such Record Date by a Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account in the United States designated by such Registered Owner in such written request.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Riverside County Infrastructure Financing Authority 2017 Lease Revenue Bonds, Series B" (County of Riverside Capital Project) (the "Bonds"), in an aggregate principal amount of _____ Dollars (\$ _____), all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Bond Law"), and pursuant to an Indenture of Trust, dated as of December 1, 2017, by and between the Authority and the Trustee (the "Indenture") and a resolution of the governing body of the Authority adopted on December 5, 2017, authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds are issued on a parity under the Indenture with the Riverside County Infrastructure Financing Authority 2017 Lease Revenue Bonds, Series C (County of Riverside Capital Projects) (the "Series C Bonds"). The Bonds have been issued by the Authority to aid in financing the leasing by the Authority of certain land and public facilities to be leased to the County of Riverside (the "County") pursuant to the hereinafter described Lease Agreement, by and between the Authority and the County.

This Bond and the interest and premium, if any, hereon and all other Bonds and the interest and premium, if any, thereon (to the extent set forth in the Indenture) are special obligations of the Authority, and are payable from, and are secured by a charge and lien on the Revenues as defined in the Indenture, consisting primarily of lease payments payable by the County for the use and possession of certain land and improvements (the "Leased Premises") pursuant to a Lease Agreement dated as of December 1, 2017, by and between the Authority as lessor and the County as lessee (the "Lease Agreement"). As and to the extent set forth in the Indenture, all of the Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the Bonds.

The rights and obligations of the Authority and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of

payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected.

The Bonds maturing on or before May 1, _____, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after May 1, _____, are subject to redemption at the option of the Authority as a whole or in part, on any date on or after May 1, _____ from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption.

The Bonds maturing on May 1, _____ are also subject to mandatory redemption, in part by lot, from Sinking Account payments on May 1 in each year in the amounts as set forth in the Indenture at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; provided, however, that if some but not all of such Bonds have been redeemed pursuant to the foregoing or following redemption provisions, the total amount of Sinking Account payments to be made with respect to such Bonds on May 1 in each year subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Authority with the Trustee.

The Bonds are also subject to redemption as a whole or in part, on any date, from any Net Proceeds (as such term is defined in the Indenture) of hazard or title insurance proceeds not used to repair or replace any portion of the Leased Premises or condemnation proceeds received with respect to the Leased Premises and elected by the County to be used for such purpose pursuant to the Lease Agreement, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

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

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. This Bond may be exchanged at the Office of the Trustee for Bonds of the same tenor, aggregate principal amount, interest rate and maturity, of other authorized denominations.

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

This Bond is not a debt of the County, the State of California, or any of its political subdivisions, and none of said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties of the Authority other than the Revenues as such term is defined in the Indenture.

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

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

IN WITNESS WHEREOF, the Riverside County Infrastructure Financing Authority has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chairman, all as of the Original Issue Date specified above.

RIVERSIDE COUNTY INFRASTRUCTURE
FINANCING AUTHORITY

By _____
Chairman

CERTIFICATE OF AUTHENTICATION

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

Dated:

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

(FORM OF ASSIGNMENT)

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

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

EXHIBIT B
FORM OF BOND
SERIES C

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY
2017 LEASE REVENUE BONDS, SERIES C
(COUNTY OF RIVERSIDE CAPITAL PROJECTS)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
_____%			

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the registered owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth day of the month preceding such interest payment date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before April 15, 2018 in which event it shall bear interest from the Date of Delivery; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, at the Interest Rate per annum specified above, payable semiannually on each May 1 and November 1, commencing May 1, 2018 (collectively, the "Interest Payment Dates"), calculated on the basis of a 360-day year composed of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender hereof at the corporate trust office (the "Office") of U.S. Bank National Association, as trustee (the "Trustee"), in Los Angeles, California or such other place as designated by the Trustee. Interest hereon is payable by check of the Trustee mailed on the applicable Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as

of the close of business on the fifteenth day of the month preceding each Interest Payment Date (a "Record Date"), or, upon written request filed with the Trustee (at least five days prior) to such Record Date by a Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account in the United States designated by such Registered Owner in such written request.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Riverside County Infrastructure Financing Authority 2017 Lease Revenue Bonds, Series C" (County of Riverside Capital Project) (the "Bonds"), in an aggregate principal amount of _____ Dollars (\$ _____), all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Bond Law"), and pursuant to an Indenture of Trust, dated as of December 1, 2017, by and between the Authority and the Trustee (the "Indenture") and a resolution of the governing body of the Authority adopted on December 5, 2017, authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds are issued on a parity under the Indenture with the Riverside County Infrastructure Financing Authority 2017 Lease Revenue Bonds, Series B (County of Riverside Capital Projects) (the "Series B Bonds"). The Bonds have been issued by the Authority to aid in financing the leasing by the Authority of certain land and public facilities to be leased to the County of Riverside (the "County") pursuant to the hereinafter described Lease Agreement, by and between the Authority and the County.

This Bond and the interest and premium, if any, hereon and all other Bonds and the interest and premium, if any, thereon (to the extent set forth in the Indenture) are special obligations of the Authority, and are payable from, and are secured by a charge and lien on the Revenues as defined in the Indenture, consisting primarily of lease payments payable by the County for the use and possession of certain land and improvements (the "Leased Premises") pursuant to a Lease Agreement dated as of December 1, 2017, by and between the Authority as lessor and the County as lessee (the "Lease Agreement"). As and to the extent set forth in the Indenture, all of the Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the Bonds.

The rights and obligations of the Authority and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of

payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected.

The Bonds maturing on or before May 1, _____, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after May 1, _____, are subject to redemption at the option of the Authority as a whole or in part, on any date on or after May 1, _____ from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption.

The Bonds maturing on May 1, _____ are also subject to mandatory redemption, in part by lot, from Sinking Account payments on May 1 in each year in the amounts as set forth in the Indenture at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; provided, however, that if some but not all of such Bonds have been redeemed pursuant to the foregoing or following redemption provisions, the total amount of Sinking Account payments to be made with respect to such Bonds on May 1 in each year subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Authority with the Trustee.

The Bonds are also subject to redemption as a whole or in part, on any date, from any Net Proceeds (as such term is defined in the Indenture) of hazard or title insurance proceeds not used to repair or replace any portion of the Leased Premises or condemnation proceeds received with respect to the Leased Premises and elected by the County to be used for such purpose pursuant to the Lease Agreement, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

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

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. This Bond may be exchanged at the Office of the Trustee for Bonds of the same tenor, aggregate principal amount, interest rate and maturity, of other authorized denominations.

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

This Bond is not a debt of the County, the State of California, or any of its political subdivisions, and none of said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties of the Authority other than the Revenues as such term is defined in the Indenture.

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

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

IN WITNESS WHEREOF, the Riverside County Infrastructure Financing Authority has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chairman, all as of the Original Issue Date specified above.

RIVERSIDE COUNTY INFRASTRUCTURE
FINANCING AUTHORITY

By _____
Chairman

CERTIFICATE OF AUTHENTICATION

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

Dated:

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

(FORM OF ASSIGNMENT)

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

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

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS; RULES OF INTERPRETATION

Section 1.01	Definitions.....	2
Section 1.02	Interpretation.....	13

ARTICLE II THE BONDS

Section 2.01	Authorization of Bonds.....	13
Section 2.02	Terms of the Bonds.....	14
Section 2.03	Transfer of Bonds.....	15
Section 2.04	Exchange of Bonds.....	15
Section 2.05	Registration Books.....	15
Section 2.06	Form and Execution of Bonds.....	15
Section 2.07	Temporary Bonds.....	16
Section 2.08	Bonds Mutilated, Lost, Destroyed or Stolen.....	16
Section 2.09	Cancellation of Bonds.....	17
Section 2.10	CUSIP Numbers.....	17
Section 2.11	Book-Entry Bonds.....	17

ARTICLE III ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01	Issuance of the Bonds.....	18
Section 3.02	Application of Proceeds at Closing.....	19
Section 3.03	Establishment and Application of Costs of Issuance Fund.....	19
Section 3.04	Project Fund.....	20
Section 3.05	Establishment and Application of Bond Proceeds Fund.....	20
Section 3.06	Validity of Bonds.....	20

ARTICLE IV REDEMPTION OF BONDS

Section 4.01	Terms of Redemption.....	20
Section 4.02	Selection of Bonds for Redemption.....	22
Section 4.03	Notice of Redemption.....	22
Section 4.04	Partial Redemption of Bonds.....	22
Section 4.05	Conditional Notice of Optional Redemption of Bonds.....	22
Section 4.06	Effect of Redemption.....	23

ARTICLE V REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01	Pledge and Assignment; Bond Fund.....	23
Section 5.02	Allocation of Revenues.....	24
Section 5.03	Application of Interest Account.....	24

TABLE OF CONTENTS

(continued)

	Page
Section 5.04	Application of Principal Account 24
Section 5.05	Application of Sinking Account 24
Section 5.06	[Reserved] 24
Section 5.07	Application of Redemption Fund..... 24
Section 5.08	Insurance and Condemnation Fund 25
Section 5.09	Investments 26
Section 5.10	Valuation and Disposition of Investments 27
Section 5.11	Rebate Fund 27

ARTICLE VI PARTICULAR COVENANTS

Section 6.01	Punctual Payment..... 28
Section 6.02	Extension of Payment of Bonds..... 28
Section 6.03	Against Encumbrances..... 28
Section 6.04	Power to Issue Bonds and Make Pledge and Assignment 28
Section 6.05	Accounting Records and Financial Statements..... 29
Section 6.06	Additional Obligations..... 29
Section 6.07	Tax Covenants 29
Section 6.08	Lease Agreement 30
Section 6.09	Payment..... 30
Section 6.10	Further Assurances..... 30
Section 6.11	Leased Premises..... 30

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

Section 7.01	Events of Default 31
Section 7.02	No Acceleration Upon Event of Default..... 31
Section 7.03	Application of Revenues and Other Funds After Default..... 31
Section 7.04	Trustee to Represent Bond Owners 32
Section 7.05	Bond Owners' Direction of Proceedings 32
Section 7.06	Limitation on Bond Owners' Right to Sue 33
Section 7.07	Absolute Obligation of Authority 33
Section 7.08	Termination of Proceedings..... 33
Section 7.09	Remedies Not Exclusive..... 34
Section 7.10	No Waiver of Default..... 34

ARTICLE VIII THE TRUSTEE

Section 8.01	Duties, Immunities and Liabilities of Trustee..... 34
Section 8.02	Merger or Consolidation..... 36
Section 8.03	Liability of Trustee 36
Section 8.04	Right to Rely on Documents..... 38

TABLE OF CONTENTS

(continued)

	Page
Section 8.05	Preservation and Inspection of Documents..... 39
Section 8.06	Compensation and Indemnification 39

ARTICLE IX MODIFICATION OR AMENDMENT HEREOF

Section 9.01	Amendments Permitted..... 39
Section 9.02	Effect of Supplemental Indenture 41
Section 9.03	Endorsement of Bonds; Preparation of New Bonds 41
Section 9.04	Amendment of Particular Bonds..... 41

ARTICLE X DEFEASANCE

Section 10.01	Discharge of Indenture..... 41
Section 10.02	Discharge of Liability on Bonds 42
Section 10.03	Deposit of Money or Securities with Trustee 42
Section 10.04	Unclaimed Funds 43

ARTICLE XI MISCELLANEOUS

Section 11.01	Liability of Authority Limited to Revenues..... 43
Section 11.02	Limitation of Rights to Parties and Bond Owners 43
Section 11.03	Funds and Accounts 43
Section 11.04	Waiver of Notice; Requirement of Mailed Notice..... 44
Section 11.05	Destruction of Bonds 44
Section 11.06	Severability of Invalid Provisions..... 44
Section 11.07	Notices 44
Section 11.08	Evidence of Rights of Bond Owners 45
Section 11.09	Disqualified Bonds..... 45
Section 11.10	Money Held for Particular Bonds 46
Section 11.11	Waiver of Personal Liability 46
Section 11.12	Benefit of Parties..... 46
Section 11.13	Successor Is Deemed Included in All References to Predecessor 46
Section 11.14	Execution in Several Counterparts..... 46
Section 11.15	Governing Law 46

EXHIBIT A - FORM OF BOND SERIES B	A-1
EXHIBIT A - FORM OF BOND SERIES C	B-1

ESCROW DEPOSIT AND TRUST AGREEMENT

by and among the

COUNTY OF RIVERSIDE

SOUTHWEST COMMUNITIES FINANCING AUTHORITY

and

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

as Escrow Bank

Dated as of December 1, 2017

TABLE OF CONTENTS

	Page
SECTION 1. APPOINTMENT OF ESCROW BANK.....	2
SECTION 2. ESTABLISHMENT OF ESCROW FUND.....	2
SECTION 3. ESCROW SECURITIES.....	2
SECTION 4. DEPOSIT INTO ESCROW FUND; INVESTMENT OF AMOUNTS	3
SECTION 5. INSTRUCTIONS AS TO APPLICATION OF DEPOSIT; AUTHORITY RETAINS RIGHT OF OPTIONAL REDEMPTION	3
SECTION 6. APPLICATION OF CERTAIN TERMS OF PRIOR INDENTURE OF TRUST	4
SECTION 7. COMPENSATION TO ESCROW BANK	4
SECTION 8. LIABILITIES AND OBLIGATIONS OF ESCROW BANK.....	4
SECTION 9. AMENDMENT	6
SECTION 10. TERMINATION; UNCLAIMED MONEY.....	7
SECTION 11. SEVERABILITY	7
SECTION 12. NOTICE OF ESCROW BANK, AUTHORITY AND COUNTY.....	7
SECTION 13. MERGER OR CONSOLIDATION OF ESCROW BANK	7
SECTION 14. EXECUTION IN SEVERAL COUNTERPARTS.....	8
SECTION 15. GOVERNING LAW	8
EXHIBIT A – ESCROW COST DETAIL AND SUFFICIENCY.....	A-1
EXHIBIT B – NOTICE OF DEFEASANCE	B-1

ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT is made and entered into this 1st day of December, 2017, by and among the COUNTY OF RIVERSIDE, a division of the State of California, organized and existing by virtue of Constitution and laws of the State of California (the "County"), the SOUTHWEST COMMUNITIES FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Escrow Bank and as Prior Trustee, as hereinafter defined (the "Escrow Bank");

WITNESSETH:

WHEREAS, the County and the Authority have heretofore entered into a Lease Agreement, dated as of November 1, 2008 (the "Prior Agreement");

WHEREAS, payments by the County of lease payments pursuant to the Prior Agreement (the "Prior Payments") are applied to the payment of the \$15,105,000 original principal amount of Southwest Communities Financing Authority 2008 Lease Revenue Bonds, Series A (County of Riverside Capital Project) (the "Prior Bonds");

WHEREAS, the Prior Agreement provides that in the event that the County deposits, or causes the deposit on its behalf of, moneys and certain Federal Securities (as defined in the Prior Indenture of Trust (defined below)) in an amount, together with investment earnings and certain funds held under the Prior Indenture of Trust, sufficient to pay and discharge all or a portion of the indebtedness of the Prior Agreement at or before maturity, then the obligations of the County under the Prior Agreement shall cease and terminate with respect to the obligations so discharged, except only the obligation of the County to pay or cause to be paid to the Authority all sums due thereon out of the Escrow Fund with respect to the obligations so discharged and thereafter such Lease Payments (as defined in the Prior Agreement) shall be released from the lien of the Prior Agreement; and

WHEREAS, pursuant to Indenture of Trust dated as of November 1, 2008 (the "Prior Indenture of Trust"), relating to and dated as of the same date as the Prior Agreement, by and between the Authority and the trustee appointed under the Prior Indenture of Trust (the "Prior Trustee"), the Prior Bonds were issued, secured in part by the prior payments; and

WHEREAS, the County has determined that it is in the best interests of the County at this time to refinance the County's obligation to make the lease payments under the Prior Agreement and, as a result thereof, to prepay such lease payments on an advance basis on said May 1, 2018 at a prepayment price of 100% of the principal amount thereof, plus accrued interest; and

WHEREAS, the County proposes to make the deposit of moneys referenced in Section 10.01 of the Prior Indenture of Trust and to appoint the Escrow Bank as its agent for the purpose of applying said deposit to the prepayment of lease payments in accordance with the instructions provided by this Escrow Deposit and Trust Agreement and of applying said lease payments to the payment and redemption of the Prior Bonds in accordance with the Prior Indenture of Trust and Prior Agreement, and the Escrow Bank will accept said appointment; and

WHEREAS, to obtain moneys to make such deposit, the Riverside County Public Financing Authority proposes to issue its \$ _____ Riverside County Public Financing Authority 2017 Lease Revenue Refunding Bonds, Series B (the "2017 Bonds") pursuant to that certain Indenture of Trust, dated as of _____ (the "Indenture"), by and between the Authority and the trustee appointed thereunder (the "Trustee"); and

WHEREAS, the County wishes to make such a deposit with the Escrow Bank and to enter into this Escrow Deposit and Trust Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Bank has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Deposit and Trust Agreement.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Appointment of Escrow Bank. The County and the Authority hereby appoint the Escrow Bank as escrow bank for all purposes of this Escrow Deposit and Trust Agreement and in accordance with the terms and provisions of this Escrow Deposit and Trust Agreement, and the Escrow Bank hereby accepts such appointment.

Section 2. Establishment of Escrow Fund. There is hereby created by the County and the Authority with, and to be held by, the Escrow Bank, as security for the payment of the Prior Payments as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Bank on behalf of the County and the Authority and for the benefit of the owners of the Prior Bonds, said escrow to be designated the "Escrow Fund." All moneys and Escrow Securities, defined below, deposited in the Escrow Fund shall be held as a special fund for the payment of the lease payments in accordance with the provisions of the Prior Indenture of Trust. If at any time the Escrow Bank shall receive actual knowledge that the moneys and Escrow Securities in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Bank shall notify the County of such fact and the County shall immediately cure such deficiency.

Section 3. Escrow Securities. "Escrow Securities" means (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), the payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America;

(b) any obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; and

(c) pre-refunded municipal obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the

date specified in the notice, and (i) which are rated, based on the escrow, in the highest rating category of S&P and Moody's or any successors thereto; or (ii)(A) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraphs (a) or (b) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate.

Section 4. Deposit into Escrow Fund; Investment of Amounts. Concurrently with delivery of the Bonds, the County and Authority shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$_____ in immediately available funds which shall be derived as follows: \$_____ representing funds on deposit in the Reserve Fund with respect to the Prior Bonds, \$_____ representing funds on deposit in the Bond Fund with respect to the Prior Bonds, and \$_____ to come from the proceeds of the 2017 Bonds. The Prior Trustee is hereby directed to transfer the foregoing amounts from the Prior Indenture of Trust to the Escrow Bank.

The Escrow Bank shall invest all of the moneys deposited into the Escrow Fund pursuant to the preceding paragraph in the Escrow Securities set forth in Exhibit A attached hereto and by this reference incorporated herein. The purchase price of the Escrow Securities is \$_____. The remainder in the Escrow Fund (\$_____) shall be held in cash uninvested (the "Cash"). The Escrow Securities shall be deposited with and held by the Escrow Bank in the Escrow Fund solely for the uses and purposes set forth herein.

The Escrow Bank shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

If the escrow Bank learns that the Department of the Treasury or the Bureau of Fiscal Service will not, for any reason, accept a subscription of state and local government series securities ("SLGS") that is to be submitted pursuant to this Agreement, the Escrow Bank shall promptly request alternative written investment instructions from the County with respect to funds which were to be invested in SLGS. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the County. In the absence of investment instructions from the County, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the County's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 5. Instructions as to Application of Deposit; Authority Retains Right of Optional Redemption. The County and the Authority hereby irrevocably direct and instruct the

Prior Trustee to prepay the remaining Prior Payments in full on May 1, 2018 at a prepayment price of 100% of the principal amount thereof. For such purpose of call and redemption prior to maturity of the Prior Bonds, the Authority has instructed the Prior Trustee on March 15, 2018, and the Prior Trustee caused to be given notice of redemption of the Prior Bonds, for redemption of the Prior Bonds on May 1, 2018, in accordance with the applicable provisions of the Prior Indenture of Trust. The Escrow Bank is hereby directed to file on the date of issuance of the 2017 Bonds the notice of defeasance attached hereto as Exhibit B on the Municipal Securities Rulemaking Board's EMMA System. The sole remedy for failure to timely file such notice to the EMMA System shall be an action by the holder of the Prior Bonds in mandamus for specific performance or similar remedy to compel performance.

Section 6. Application of Certain Terms of Prior Indenture of Trust. All of the terms of the Prior Indenture of Trust relating to the making of payments of principal and interest with respect to the Prior Bonds are incorporated in this Escrow Deposit and Trust Agreement as if set forth in full herein. The provisions of the Prior Indenture of Trust relating to the limitations from liability and protections (including, without limitation, the rights and protections set forth in Article VIII of the Prior Indenture of Trust) afforded the Prior Trustee and the resignation and removal of the Prior Trustee are also incorporated in this Escrow Deposit and Trust Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

Section 7. Compensation to Escrow Bank. The County shall pay the Escrow Bank full compensation for its duties under this Escrow Deposit and Trust Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto pursuant to a separate agreement between the County and the Escrow Bank. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 8. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Deposit and Trust Agreement unless the County shall have deposited sufficient funds with the Escrow Bank to satisfy such obligation. The Escrow Bank shall have no power or duty to invest any funds held under this Agreement. The Escrow Bank may rely and shall be protected in acting upon the written instructions purporting to be of the County or the Authority or their agents relating to any matter or action as Escrow Bank under this Escrow Deposit and Trust Agreement if the Escrow Bank believes in good faith such instructions are genuine and provided by a person authorized to provide such instructions.

The Escrow Bank undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Deposit and Trust Agreement against the Escrow Bank.

The County hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents, officers, directors, employees and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and

disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Deposit and Trust Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Deposit and Trust Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; *provided, however*, that the County shall not be required to indemnify the Escrow Bank against its own negligence or misconduct. The indemnities contained in this Section 7 shall survive the termination of this Escrow Deposit and Trust Agreement and the resignation and removal of the Escrow Bank.

The Escrow Bank shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Bank be liable for any special indirect or consequential damages.

The Escrow Bank may consult with counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

The Escrow Bank shall not be responsible for any of the recitals or representations contained herein.

Whenever in the administration of this Escrow Agreement the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Bank, be deemed to be conclusively proved and established by a certificate of an authorized representative of the County, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Bank, be full warrant to the Escrow Bank for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

The liability of the Escrow Bank to make the payments required by this Escrow Agreement shall be limited to the moneys and Escrow Securities in the Escrow Fund.

The Escrow Bank shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Escrow Securities deposited with it to pay the principal, interest, or premiums, if any, on the Prior Bonds.

No provision of this Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or

system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the County shall provide to the Escrow Bank an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the County whenever a person is to be added or deleted from the listing. If the County elects to give the Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank’s understanding of such Instructions shall be deemed controlling. The County understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The County shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank and that the County and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the County. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The County agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Bank and that there may be more secure methods of transmitting Instructions than the method(s) selected by the County; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The County acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the County the right to receive brokerage confirmations of security transactions as they occur, the County specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the County periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

Section 9. Amendment. This Escrow Deposit and Trust Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the Prior Bonds then outstanding shall have been filed with the Escrow Bank. This Escrow Deposit and Trust Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the County, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interests of the owners of the Prior Bonds or the

Bonds, and that such amendment will not cause interest on the Prior Bonds or the Bonds to become subject to federal income taxation.

Section 10. Termination; Unclaimed Money. This Escrow Deposit and Trust Agreement shall terminate when the Prior Payments have been paid; provided, however, that (i) money held by the Escrow Bank pursuant to this Escrow Deposit and Trust Agreement for the payment and discharge of any of the Prior Payments (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid (without liability or interest) by the Escrow Bank to the County free from the trust created by the Prior Indenture of Trust and this Escrow Deposit and Trust Agreement, and the Escrow Bank shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Bank with respect to such money shall thereupon cease and (ii) excess moneys held by the Escrow Bank not needed for the payment and discharge of the Prior Payments shall be transferred to the Bond Fund under the Indenture.

Section 11. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Deposit and Trust Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Deposit and Trust Agreement.

Section 12. Notice of Escrow Bank, Authority and County. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank as specified by the Escrow Bank as Prior Trustee in accordance with the provisions of the Prior Indenture of Trust or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the County or the Authority shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, overnight mail, facsimile or electronic mail and deposited, postage prepaid, in a post office letter box, unless such notification is by electronic mail or facsimile, addressed to such party as provided in the Prior Agreement (or such other address as may have been filed in writing by the County or the Authority with the Escrow Bank).

Section 13. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the Indenture and the Prior Indenture of Trust, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 14. Execution in Several Counterparts. This Escrow Deposit and Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall constitute but one and the same instrument.

Section 15. Governing Law. This Escrow Agreement shall be governed by the laws of the State of California.

(Signature page follows)

IN WITNESS WHEREOF, the Authority, the County and the Escrow Bank have each caused this Escrow Deposit and Trust Agreement to be executed by their duly authorized officers all as of the date first above written.

COUNTY OF RIVERSIDE

By: _____
County Administrative Officer

ATTEST:

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Escrow Bank and Prior
Trustee

By: _____
Authorized Officer

SOUTHWEST COMMUNITIES FINANCING
AUTHORITY

By: _____
Executive Director

ATTEST:

*-Signature Page-
Escrow Deposit and Trust Agreement*

EXHIBIT A

ESCROW COST DETAIL

<u>Type of Security</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Rate</u>	<u>Total Cost</u>
<u>Purchase Date</u>	<u>Cost of Securities</u>	<u>Cash Deposit</u>	<u>Total Escrow Cost</u>	<u>Yield</u>

PRIOR BONDS
ESCROW SUFFICIENCY

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Excess Balance</u>
-------------	---------------------------	----------------------------	------------------------	-----------------------

EXHIBIT B
\$15,105,000
Original Par Value
Southwest Communities Financing Authority
2008 Lease Revenue Bonds, Series A
(County of Riverside Capital Project)

NOTICE OF DEFEASANCE

OWNERS of certain maturities of the above-described Bonds (the "Defeased Bonds") are hereby NOTIFIED that, pursuant to an Escrow Deposit and Trust Agreement dated as of December 1, 2017, by and among the County of Riverside, the Southwest Communities Financing Authority (the "Authority") and The Bank of New York Mellon Trust Company, N.A., as Escrow Bank (the "Escrow Bank"), the Escrow Bank has received and holds in irrevocable trust, cash moneys or noncallable direct and general obligations of the United States of America or obligations of any agency or instrumentality of the United States the payment of principal of and interest on which is unconditionally guaranteed by the full faith and credit of the United States of America (collectively, the "Escrowed Securities") interest on and the principal of which obligations, when due, will provide moneys together with any such cash sufficient to redeem the Defeased Bonds on May 1, 2018, all as verified by an independent certified public accountant. The Escrow Bank shall collect interest on and the principal of such obligations and shall pay the same, together with any such cash moneys held by the Escrow Bank, to owners of record of the Defeased Bonds, in such amounts and at such times as shall be required to pay interest on and the principal of the Defeased Bonds to the prepayment date or maturity date, as applicable.

The Defeased Bond CUSIP numbers, maturity dates and principal amounts are listed below:

<u>Original CUSIP Number</u>	<u>Maturity Date (May 1)</u>	<u>Principal Amount Outstanding</u>	<u>Interest Rate</u>	<u>Defeased CUSIP</u>
----------------------------------	----------------------------------	---	--------------------------	---------------------------

The Defeased Bonds are now deemed to have been paid, and the owners thereof shall hereafter be limited to the application of such cash moneys or Escrowed Securities for the payment of interest on and the principal of such Defeased Bonds as the same become due and payable as described above.

THIS IS NOT A NOTICE OF REDEMPTION. THIS NOTICE IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT REQUIRE OR SOLICIT THE PRESENT SURRENDER OR EXCHANGE OF THE DEFEASED BONDS.

The CUSIP numbers have been assigned by an independent service for convenience of reference and none of the City, the Authority, the Trustee or the Escrow Bank shall be held liable for any inaccuracy in any such CUSIP number.

DATED: _____

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

Recording requested by
and return to:

Best Best & Krieger LLP (KAB)
P.O. Box 1028
Riverside, CA 92502

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

LEASE AGREEMENT

Dated as of December 1, 2017

by and between the

RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY,
as lessor

and the

COUNTY OF RIVERSIDE,
as lessee

Relating to

\$ _____
Riverside County Infrastructure Financing Authority
2017 Lease Revenue Bonds,
Series B
(County of Riverside Capital Projects)

and

\$ _____
Riverside County Infrastructure Financing Authority
2017 Lease Revenue Bonds,
Series C
(County of Riverside Capital Projects)

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease Agreement"), dated as of December 1, 2017, is by and between the RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California, as lessor (the "Authority"), and the COUNTY OF RIVERSIDE, a division of the State organized and existing under the laws of the State of California, as lessee (the "County");

WITNESSETH:

WHEREAS, the Authority is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement dated as of September 15, 2015; and

WHEREAS, under Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Bond Law") the Authority is authorized to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to, public entities including the County, and to provide financing for public capital improvements of public entities including the County and to lease and lease back such public capital improvements including the land on which the public capital improvements are or will be located; and

WHEREAS, the Authority has leased a certain parcel (the "AFV Site") from Animal Friends of the Valleys ("AFV") pursuant to a Ground Lease, dated December 1, 2017, by and between the AFV, as lessor, and the Authority, as lessee (the "AFV Ground Lease"), and wishes to lease the AFV Leased Premises, defined herein, to the County pursuant to the laws of the State of California permitting entry into leasehold agreements for such purpose; and

WHEREAS, the Authority has leased a second parcel from the County pursuant to a Ground Lease, dated December 1, 2017 (the "County Ground Lease"), between the County, as lessor, and the Authority, as lessee, and wishes to lease the County Leased Premises, as defined herein, to the County pursuant to the laws of the State of California permitting entry into leasehold agreements;

WHEREAS, the AFV Site is leased to the AFV pursuant to an Amended and Restated Site Lease Agreement between the Elsinore Valley Municipal Water District and AFV, dated December 28, 2006 (the "AFV Lease"), and this Lease Agreement is subject to the AFV Lease; and

WHEREAS, the Leased Premises constitute a public capital improvement, as that term is defined in the Bond Law; and

WHEREAS, the Authority shall lease the Leased Premises to the County for the purpose (among others) of operating an animal shelter and for the purpose of expanding the public health lab and the rent thereon shall provide amounts sufficient to pay the principal of and interest on the Bonds (as defined herein); and

WHEREAS, for the purpose of providing moneys to acquire or construct the County Facilities [and to refinance the construction and furnishing of the Animal Shelter on an advance basis], the Authority proposes to issue its 2017 Lease Revenue Bonds (County of Riverside Capital Projects) issued as Series B Bonds in the amount of \$_____ and as Series C Bonds in the amount of \$_____ (together, the "Bonds") under that certain Indenture of Trust dated as of _____ (the "Indenture") by and between the Authority and U.S. Bank National Association, as trustee; and

WHEREAS, all conditions to the execution and delivery of this Lease Agreement have been satisfied and the Authority and the County are duly authorized to execute and deliver this Lease Agreement;

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

ARTICLE I DEFINITIONS AND EXHIBITS

Section 1.01 Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Lease Agreement shall have the respective meanings specified in Section 1.01 of the Indenture. In addition, the following terms heretofore defined in this Lease Agreement and the following terms defined in this Section 1.01 shall, for all purposes of this Lease Agreement, have the respective meanings herein specified.

"AFV Facilities" means all of the buildings, improvements and related infrastructure necessary for the operation of an animal shelter of approximately 32,000 square feet situated on the Animal Shelter Site and described in any amendment to this Lease Agreement hereto and by this reference incorporated herein.

"AFV Ground Lease" means the Ground Lease Agreement, dated the date hereof, by and between the Authority, as lessee, and Animal Friends of the Valleys, as lessor.

"AFV Lease" means the Amended and Restated Site Lease Agreement, dated December 28, 2006, by and between AFV and Elsinore Valley Municipal Water District and as amended by that First Amendment to Amended and Restated Site Lease between the Elsinore Valley Municipal Water District and AFV.

"AFV Site" means the Animal Shelter Site shown in Exhibit A hereto and AFV Facilities thereon.

"County" means the County of Riverside.

"County Facilities" means the facilities and buildings located on the County Site.

"County Ground Lease" means the Ground Lease Agreement, dated as of the date hereof, by and between the County, as lessor, and the Authority, as lessee.

“County Project” means the expansion of the County Public Health Laboratory.

“County Site” means the property described in Exhibit A as the County Site.

“Event of Default” means any of the events of default defined as such in Section 9.01.

“Fiscal Year” means the twelve-month period beginning on July 1 of any year and ending on June 30 of the next succeeding year, or any other twelve-month period established by the County as its fiscal year pursuant to written notice filed with the Authority and the Trustee.

“Hazardous Substance” means any substance, pollutant or contamination included in such (or any similar) term under any federal, state or local statute, law, ordinance, code or regulation now in effect or hereafter enacted or amended.

“Indenture” means the Indenture of Trust dated as of December 1, 2017, by and between the Authority and the Trustee, together with any duly authorized and executed amendments thereto.

“Lease Payment Date” means, with respect to any Interest Payment Date, the fifteenth (15th) calendar day of the month preceding such Interest Payment Date.

“Lease Payments” means the amounts payable by the County pursuant to Section 4.03(a), including any prepayment thereof pursuant hereto and including any amounts payable upon a delinquency in the payment thereof.

“Leased Premises” means the Sites and AFV Facilities and County Facilities described herein.

“Member Agencies” means the County of Riverside, the City of Lake Elsinore, the City of Canyon Lake, the City of Temecula, and the City of Murrieta, or such other local agencies which may at any time become members to the Southwest Communities Financing Authority.

“Memorandum of Understanding” means that Memorandum of Understanding dated February 3, 2006 by and between AFV and the Southwest Communities Financing Authority.

“Miscellaneous Rent” means the amounts of additional rent which are payable by the County pursuant to Section 4.07.

“Operations Agreement” means the Second Amended and Restated Animal Shelter Operations Agreement dated as of July 1, 2015, by and among AFV, the Southwest Communities Financing Authority and the County, as amended by that First Amendment to the Second Amended and Restated Animal Shelter Operations Agreement, dated as of December 1, and that Second Amendment to the Second Amended and Restated Animal Shelter Operations Agreement, dated as of December 1, 2017.

“Permitted Encumbrances” means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may permit to remain unpaid pursuant to Article V; (b) the AFV Lease; (c) the AFV Ground Lease; (d) the County Ground

Lease; (e) this Lease Agreement, the Indenture and any other agreement or other document contemplated hereunder to be recorded against the Site; (f) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (g) unrecorded Lease of AFV to the Chamber of Commerce of Wildomar; and (h) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the County certifies in writing will not materially impair the use of the Site for their intended purposes.

“Sites” means all of the real property described in Exhibit A attached hereto and described as the AFV Site and the County Site and Facilities thereon.

“Term” means the time during which this Lease Agreement, the AFV Ground Lease and the County Ground Lease are in effect, as provided in Section 4.02.

“Trustee” means U.S. Bank National Association or any successor thereto acting as Trustee pursuant to the Indenture.

Section 1.02 Exhibits. The following exhibits are attached to, and by this reference made a part of, this Lease Agreement.

Exhibit A: Description of the Leased Premises.

Exhibit B: Schedule of Lease Payments.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01 Representations, Covenants and Warranties of the County. The County makes the following covenants, representations and warranties to the Authority as of the date of the execution and delivery of this Lease Agreement:

(a) Due Organization and Existence. The County is a division of the State duly organized and validly existing under the laws of the State, has full legal right, power and authority under the laws of the State to enter into this Lease Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the County has duly authorized the execution and delivery of this Lease Agreement.

(b) Due Execution. The representatives of the County executing this Lease Agreement have been fully authorized to execute the same pursuant to a resolution duly adopted by the Board of Supervisors of the County.

(c) Valid, Binding and Enforceable Obligations; Defense of Rights. This Lease Agreement has been duly authorized, executed and delivered by the County, and if properly executed by the parties to it, constitutes the legal, valid and binding agreement of the County enforceable against the County in accordance with the terms hereof subject to bankruptcy, insolvency, reorganization or other similar laws, affecting the enforcement of creditors’ right in general and by general equity principles. The County further acknowledges that EVMWD has approved the County’s execution and delivery of this Lease Agreement and the AFV Ground

Lease pursuant to the provisions of the AFV Lease. The County hereby covenants to defend all of its rights under this Lease, the AFV Ground Lease and the AFV Lease, together with the County Ground Lease.

(d) No Conflicts. The execution and delivery of this Lease Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the County is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the County, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement or the financial condition, assets, properties or operations of the County.

(e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the County or of the voters of the County, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Lease Agreement, or the consummation of any transaction herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the County after reasonable investigation, threatened against or affecting the County or the assets, properties or operations of the County which, if determined adversely to the County or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Lease Agreement, or upon the financial condition, assets, properties or operations of the County, and the County is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement or the financial conditions, assets, properties or operations of the County.

(g) Use of Leased Premises; Essentiality. The Leased Premises shall be used solely for the public purposes of the County. The Leased Premises constitute property that is essential to carrying out the governmental functions of the County.

Section 2.02 Representations, Covenants and Warranties of Authority. The Authority makes the following covenants, representations and warranties to the County as of the date of the execution and delivery of this Lease Agreement:

(a) Due Organization and Existence. The Authority is a joint powers authority duly organized and existing under and by virtue of the laws of the State; has power to enter into this Lease Agreement and the Indenture; is possessed of full power to own and hold, improve and

equip real and personal property, and to lease the same; and has duly authorized the execution and delivery of each of the aforesaid agreements and such agreements constitute the legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms.

(b) Due Execution. The representatives of the Authority executing this Lease Agreement and the Indenture are fully authorized to execute the same pursuant to official action taken by the governing body of the Authority.

(c) Valid Binding and Enforceable Obligations; Defense of Rights. This Lease Agreement and the Indenture have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' right in general and by general equity principles. The Authority further covenants that EVMWD has approved the Authority's execution and delivery of the AFV Ground Lease and this Lease Agreement pursuant to the provisions of the AFV Lease. The Authority hereby covenants to defend all of its rights under this Lease Agreement, the AFV Ground Lease and the AFV Lease, together with the County Ground Lease.

(d) No Conflicts. The execution and delivery of this Lease Agreement and the Indenture, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Authority is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement and the Indenture or the financial condition, assets, properties or operations of the Authority.

(e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Lease Agreement or the Indenture, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Authority after reasonable investigation, threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Lease Agreement or the Indenture, or

upon the financial condition, assets, properties or operations of the Authority, and the Authority is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement or the Indenture or the financial conditions, assets, properties or operations of the Authority.

ARTICLE III THE BONDS

Section 3.01 The Bonds. The Authority has authorized the issuance of the Bonds pursuant to the Indenture being Series B Bonds in the aggregate principal amount of _____ Dollars (\$_____) and Series C Bonds in the aggregate principal amount of _____ Dollars (\$_____). The Authority agrees that the proceeds of sale of the Bonds shall be paid to the Trustee on the Closing Date for deposit and application pursuant to the terms and conditions of the Indenture. The County hereby approves the Indenture, the assignment to the Trustee of the rights of the Authority assigned or purported to be assigned thereunder, and the issuance of the Bonds by the Authority thereunder.

Section 3.02 Financing of Leased Premises. In order to pay the County's lease payment for the Leased Premises hereunder, on the Closing Date, the Authority and the County shall execute all documents and take all action as may be required to accomplish the construction and improvement of County Project and to refinance the AFV Facilities. The County shall provide lawfully available funds to complete the construction of the portions of the County Project not financed with the proceeds of the Bonds.

Section 3.03 Payment of Costs of Issuance. Payment of all Costs of Issuance shall be made from the moneys deposited with the Trustee in the Costs of Issuance Fund, which moneys shall be disbursed for such purpose in accordance with Section 3.03 of the Indenture. Any Costs of Issuance for the payment of which insufficient funds shall be available on deposit in the Costs of Issuance Fund, shall be paid by the County.

ARTICLE IV LEASE; TERM OF THIS LEASE AGREEMENT; RENTAL PAYMENTS

Section 4.01 Lease by Authority and Lease to County.

(a) For consideration described therein, AFV has leased to the Authority, pursuant to the AFV Ground Lease, the AFV Site for the Term stated therein, plus one week following the end of the Term of the AFV Ground Lease.

(b) For consideration described therein, County has leased to the Authority, pursuant to the County Ground Lease, the County Site for the Term stated therein, plus one week following the end of the Term of the County Ground Lease.

(c) The Authority hereby leases the Leased Premises to the County, and the County hereby leases the Leased Premises from the Authority, upon the terms and conditions set forth in this Lease Agreement.

(d) The County hereby takes possession of the Leased Premises on the Closing Date.

(e) Following the Closing Date the Authority and the County shall commence construction of the County Project pursuant to the terms of the Agency Agreement.

Section 4.02 Term of Lease Agreement. The Term of this Lease Agreement shall commence on December __, 2017 and shall end on May 1, 2038 with respect to the AFV Site and on May 1, 2048 with respect to the County Site, unless such term is extended as hereinafter provided or unless Lease Payments have been paid or prepaid in full or provision shall have been made for such payment pursuant to Section 4.03(g) hereof. If on May 1, 2048, the Indenture shall not be discharged by its terms or if the Lease Payments payable hereunder shall have been abated at any time and for any reason, then the Term of this Lease Agreement shall be extended until the earlier of May 1, 2058, or the date the Indenture shall be discharged by its terms. If prior to May 1, 2048, the Indenture shall be discharged by its terms and any amounts then owed to the Trustee have been paid in full, the Term of this Lease Agreement shall thereupon end.

Section 4.03 Lease Payments; Security Deposit.

(a) Obligation to Pay. In consideration of the lease by the Authority of the Leased Premises and in consideration of the issuance of the Bonds by the Authority for the purpose of constructing the County Project and refinancing the AFV Facilities, and subject to the provisions of Sections 6.01 and 6.03, the County agrees to pay to the Authority, its successors and assigns, as rental for the use and occupancy of the Leased Premises during each Fiscal Year, the Lease Payments (denominated into components of principal and interest) for the Leased Premises in the respective amounts specified in Exhibit B hereto, to be due and payable on the fifteenth day prior to each respective Interest Payment Date specified in Exhibit B hereto. Any amount held in the Bond Fund, the Interest Account, the Sinking Account or the Principal Account (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to Section 4.04) on any Lease Payment Date shall be credited towards the Lease Payment then due and payable as permitted under the Indenture. The Lease Payments coming due and payable in any Fiscal Year shall be for the use of the Leased Premises for such Fiscal Year.

(b) Effect of Prepayment. In the event that the County prepays all Lease Payments in full pursuant to Section 4.04, the County's obligations under this Lease Agreement shall thereupon cease and terminate, including but not limited to the County's obligation to pay Lease Payments under this Section 4.03. In the event that the County prepays the Lease Payments in part but not in whole pursuant to Section 4.04, the Authority shall provide, or cause to be provided, to the Trustee and the County a revised schedule of Lease Payments due after such partial prepayment, which revised schedule of Lease Payments shall be sufficient to provide for the scheduled payment of remaining principal of and interest on the Bonds, and which schedule shall represent an adjustment to the schedule of Lease Payments set forth in Exhibit B hereto after taking into account said partial prepayment.

(c) Rate on Overdue Payments. In the event the County should fail to make any of the payments required in this Section 4.03, the payment in default shall continue as an obligation of the County until the amount in default shall have been fully paid, and the County agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the

date of payment at the rate per annum equal to the average interest rate on the Bonds. Such interest, if received, shall be deposited in the Bond Fund.

(d) Fair Rental Value. The Lease Payments and Miscellaneous Rent coming due and payable hereunder in each Fiscal Year shall constitute the total rent for the Leased Premises for each Fiscal Year and shall be paid by the County in each Fiscal Year for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of, the Leased Premises during each Fiscal Year. The parties hereto have agreed and determined that the total amount of such Lease Payments and Miscellaneous Rent for the Leased Premises do not exceed the fair rental value of the Leased Premises. In making such determination, consideration has been given to the obligations of the parties under this Lease Agreement, the uses and purposes which may be served by the Leased Premises and the benefits therefrom which will accrue to the County and the general public.

(e) Source of Payments; Budget and Appropriation. The Lease Payments shall be payable from any source of available funds of the County, subject to the provisions of Sections 6.01 and 6.03. The County covenants to take such action as may be necessary to include all Lease Payments and Miscellaneous Rent due hereunder in each of its budgets during the Term of this Lease Agreement and to make the necessary annual appropriations for all such Lease Payments and Miscellaneous Rent. The covenants on the part of the County herein contained shall be deemed to be and shall be deemed duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the County.

The County and the Authority understand and intend that the obligation of the County to pay Lease Payments and other payments hereunder constitutes a current expense of the County and shall not in any way be construed to be a debt of the County in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the County, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the County. Lease Payments due hereunder shall be payable only from current funds which are budgeted and appropriated, or otherwise legally available, for the purpose of paying Lease Payments or other payments due hereunder as consideration for use of the Leased Premises during the Fiscal Year for which such funds were budgeted and appropriated or otherwise made legally available for such purpose. This Lease Agreement shall not create an immediate indebtedness for any aggregate payments which may become due hereunder. The County has not pledged the full faith and credit of the County, the State or any agency or department thereof to the payment of the Lease Payments or any other payments due hereunder, the Bonds or the interest thereon.

(f) Assignment. The County understands and agrees that all Lease Payments have been assigned by the Authority to the Trustee in trust, pursuant to the Indenture, for the benefit of the Owners of the Bonds, and the County hereby assents to such assignment. The Authority hereby directs the County, and the County hereby agrees, to pay all of the Lease Payments to the Trustee at its Office.

(g) Security Deposit. Notwithstanding any other provision of this Lease Agreement, the County may on any date secure the payment of the Lease Payments in whole or in part by depositing with the Trustee an amount of cash which, together with other available amounts, is either (i) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the related Lease Payment schedule set forth in Exhibit B, or (ii) invested in whole or in part in non-callable Federal Securities in such amount as will, in the opinion of an Independent Accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay such Lease Payments when due hereunder or on any optional prepayment date pursuant to Section 4.04, as the County shall instruct at the time of said deposit. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease Agreement. In connection with the making of any such security deposit, the Authority shall take, and shall cause the Trustee to take, any actions necessary to remove the appropriate portions of the Leased Premises from the lien of this Lease Agreement.

(h) Delinquent Lease Payments. Any delinquent Lease Payment shall be made to the Trustee for application as set forth in the Indenture.

Section 4.04 Optional Right to Purchase. The County will have the exclusive right and option, which will be irrevocable during the Term of this Lease, to purchase all or any designated portion of the Authority's interest in the Leased Premises on any Business Day, upon payment of the Option Price (as hereinafter defined) and all other amounts of miscellaneous rent then due and payable by the County to the Authority and Trustee under this Lease Agreement and under the Indenture but only if the County is not in default under this Lease Agreement or the Indenture.

The option price in any Lease Year shall be determined by reference to Exhibit C to the Lease Agreement (the "Option Price"). The County will exercise its option to purchase by giving notice thereof to the Authority and the Trustee not later than 35 days prior to the Business Day on which it desires to purchase the Leased Premises, unless the Business Day on which the County intends to exercise its option is, in accordance with the terms of the Indenture, a date on which Bonds are subject to optional redemption, in which case the County will give notice to the Authority and the Trustee of its intention to exercise its option no later than 35 days prior to the Business Day on which it desires to purchase the Leased Premises.

If the Business Date on which the County intends to exercise its option is, in accordance with the terms of the Indenture, a date on which Bonds are subject to optional redemption, then the County will deposit with the Trustee on such purchase date an amount equal to the Option Price which amount will be in addition to the Lease Payments due on such date.

If the Business Day on which the County intends to exercise its option is not a date on which Bonds are subject to optional redemption pursuant to the terms of the Indenture, then the Option Price will be payable in installments. Each such installment, all as determined by reference to Exhibit B to this Lease Agreement, (i) will be payable at each time at which a payment of Lease Payments would have been payable and such option not been exercised until the due date of the final installment and (ii) will equal the principal amount of each Lease Payments referred to in clause (i) above; provided however, that the final installment will be

payable on the first date on which Bonds are subject to optional redemption pursuant to the terms of the Indenture and will be in an amount equal to the Option Price on such date. Each such Lease Payment installment will bear interest until paid at the rate equal to the rate which would have been payable with respect to the payments of Lease Payments referred to in clause (i) above.

In order to secure its obligations to pay the installments referred to in the immediately preceding paragraph, the County concurrently with the exercise of its option, will deposit or cause to be deposited with the Trustee, in trust, cash or investments of the type described in the Indenture in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay the installments (including all principal and interest) referred to in the immediately preceding paragraph at the times at which such installments are required to be paid. Such deposit will be in addition to the Lease Payment, if any, due on such date. The excess, if any, of the amount so deposited over the installments actually required to be paid by the County will be remitted to the County.

Section 4.05 Quiet Enjoyment. During the Term of this Lease Agreement, the Authority shall provide the County with quiet use and enjoyment of the Leased Premises, and the County shall, during such Term, peaceably and quietly have and hold and enjoy the Leased Premises without suit, trouble or hindrance from the Authority, except as expressly set forth in this Lease Agreement. The Authority will, at the request of the County and at the County's cost, join in any legal action in which the County asserts its right to such possession and enjoyment to the extent the Authority may lawfully do so. Notwithstanding the foregoing, the Authority shall have the right to inspect the Leased Premises as provided in Section 7.02.

Section 4.06 Title. (a) During the Term of this Lease Agreement, the Authority shall hold a leasehold in the Leased Premises, and in any and all additions which comprise fixtures, repairs, replacements or modifications to the Leased Premises, except for those fixtures, repairs, replacements or modifications which are added to the Leased Premises by the County at its own expense and which may be removed without damaging the Leased Premises and except for any items added to the Leased Premises by the County pursuant to this Lease Agreement.

(b) All right, title and interest of the Authority in and to the AFV Site and the AFV Facilities thereon shall be transferred to and vested in AFV upon the occurrence of the following: (i) the County pays all of the Lease Payments and Miscellaneous Rent during the Term of this Lease Agreement as the same become due and payable, or if the County posts a security deposit for payment of the Lease Payments pursuant to Section 4.03(g) or prepays the Lease Payments pursuant to Section 4.04, and (ii) if the County has paid in full all of the Miscellaneous Rent coming due and payable as of the date of such prepayment; and provided in any event that no Event of Default shall have occurred and be continuing. The Authority agrees to take any and all steps and execute and record any and all documents reasonably required by AFV to consummate any such transfer of title.

(c) All right, title and interest of the Authority in and to the County Site and the County Facilities thereon shall be transferred to and vested in County upon the occurrence of the following: (i) the County pays all of the Lease Payments and Miscellaneous Rent during the Term of this Lease Agreement as the same become due and payable, or if the County posts a

security deposit for payment of the Lease Payments pursuant to Section 4.03(g) or prepays the Lease Payments pursuant to Section 4.04, and (ii) if the County has paid in full all of the Miscellaneous Rent coming due and payable as of the date of such prepayment; and provided in any event that no Event of Default shall have occurred and be continuing. The Authority agrees to take any and all steps and execute and record any and all documents reasonably required by County to consummate any such transfer of title.

Section 4.07 Miscellaneous Rent. In addition to the Lease Payments, the County shall pay when due the following items of Miscellaneous Rent:

(a) all fees and expenses incurred by the Authority in connection with or by reason of its leasehold estate in the Leased Premises as and when the same become due and payable;

(b) all reasonable compensation and indemnification to the Trustee pursuant to Section 8.06 of the Indenture for all services rendered under the Indenture and for all reasonable expenses, charges, costs, liabilities, legal fees and other disbursements incurred in and about the performance of its powers and duties under the Indenture;

(c) the reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Lease Agreement or the Indenture; and

(d) the reasonable out-of-pocket expenses of the Authority in connection with the execution and delivery of this Lease Agreement or the Indenture, or in connection with the issuance of the Bonds, including but not limited to amounts payable pursuant to Section 5.11, any and all expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds, or incurred by the Authority in connection with any litigation which may at any time be instituted involving this Lease Agreement, the Bonds, the Indenture or any of the other documents contemplated hereby or thereby, or otherwise incurred in connection with the administration of this Lease Agreement.

Section 4.08 Substitution or Release of Leased Premises. The County shall have, and is hereby granted, the option at any time and from time to time during the Term of this Lease Agreement, to substitute other land, facilities or improvements (the "Substitute Leased Premises") for the Leased Premises or any portion thereof (the "Former Leased Premises") or to release a portion of the Leased Premises (the "Released Premises") from the lien of this Lease Agreement, provided that the County shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such substitution or release:

(a) The County shall provide written notification of such substitution or release to the Trustee and Rating Agencies, which notice shall contain the certification that all conditions set forth in this Section 4.08 are met with respect to such substitution or release.

(b) The County shall take all actions and shall execute all documents required to subject the Substitute Leased Premises to the terms and provisions of this Lease Agreement, including the filing with the Authority and the Trustee an amended Exhibit A which adds thereto

a description of the Substitute Leased Premises and deletes therefrom the description of the Former Leased Premises or the Released Premises, as applicable.

(c) (i) In the case of a substitution, the County shall determine and certify in writing to the Authority and the Trustee that the fair rental value of the Substitute Leased Premises is at least equal to the fair rental value of the Former Leased Premises and that the Substitute Leased Premises is essential to the governmental functions of the County.

(ii) In the case of a release, the County shall determine and certify to the Authority and the Trustee that the fair rental value of the remaining Leased Premises after removal of the Released Premises is at least equal to the then remaining Lease Payments.

(d) In the case of a substitution, the County shall certify in writing to the Authority and the Trustee that the Substitute Leased Premises serve the public purposes of the County and constitute property which the County is permitted to lease under the laws of the State.

(e) In the case of a substitution, the County shall certify in writing to the Authority and the Trustee that the estimated useful life of the Substitute Leased Premises at least extends to the date on which the final Lease Payment becomes due and payable hereunder.

(f) In the case of a substitution, the County shall obtain a CLTA policy of title insurance meeting the requirements of Section 5.06 with respect to any real property portion of the Substitute Leased Premises.

(g) In the case of a substitution, the substitution of the Substitute Leased Premises shall not cause the County to violate any of its covenants, representations and warranties made herein.

(h) The County shall obtain and cause to be filed with the Trustee and the Authority an opinion of Bond Counsel stating that such substitution or release is permitted hereunder and does not cause interest on the Bonds to become includable in the gross income of the Bond Owners for federal income tax purposes.

From and after the date on which all of the foregoing conditions precedent to such substitution or release are satisfied, the Term of this Lease Agreement shall cease with respect to the Former Leased Premises or Released Premises, as applicable, and shall be continued with respect to the Substitute Leased Premises and the remaining Leased Premises and all references herein to the Former Leased Premises shall apply with full force and effect to the Substitute Leased Premises. The County shall not be entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such substitution or release.

ARTICLE V MAINTENANCE; TAXES; INSURANCE; USE LIMITATIONS; AND OTHER MATTERS

Section 5.01 Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Leased Premises, all improvement, repair and maintenance of the Leased Premises shall be the responsibility of the

County and the County shall pay for or otherwise arrange for the payment of all utility services supplied to the Leased Premises which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Premises resulting from ordinary wear and tear or want of care on the part of the County or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Authority agrees to provide only the Leased Premises, as hereinbefore more specifically set forth. The County waives the benefits of subsections 1 and 2 of Section 1932 of the California Civil Code, but such waiver shall not limit any of the rights of the County under the terms of this Lease Agreement.

The County shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the County affecting the Leased Premises or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the Term of this Lease Agreement as and when the same become due.

The County may, at the County's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority shall notify the County that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Authority in the Leased Premises will be materially endangered or the Leased Premises or any part thereof will be subject to loss or forfeiture, in which event the County shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority.

Section 5.02 Modification of Leased Premises. The County shall, at its own expense, have the right to make additions, modifications and improvements to the Facilities subject to the reasonable review and approval by the Authority. All additions, modifications and improvements to the Leased Premises shall thereafter comprise part of the Facilities and be subject to the provisions of this Lease Agreement. Such additions, modifications and improvements shall be consistent with the use of the Leased Premises for their public purposes and shall not in any way damage the Leased Premises or cause the Leased Premises to be used for purposes other than those authorized under the provisions of State and federal law, and shall not violate the terms of the AFV Lease with respect to the AFV Facilities; and the County shall file with the Trustee and the Authority a Certificate stating that, upon completion of any additions, modifications and improvements made thereto pursuant to this Section 5.02, the Leased Premises shall be of a value which is not substantially less than the value of the Leased Premises immediately prior to the making of such additions, modifications and improvements. The County will not permit any mechanic's or other lien to be established or remain against the Leased Premises for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the County pursuant to this Section 5.02; provided that if any such lien is established and the County shall first notify or cause to be notified the Authority of the County's intention to do so, the County may in good faith contest any lien filed or established against the Leased Premises, and in such event may

permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Authority with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Authority. The Authority will cooperate fully in any such contest, upon the request and at the expense of the County.

Section 5.03 Public Liability and Property Damage Insurance. The County shall maintain or cause to be maintained throughout the Term of this Lease Agreement, but only if and to the extent available from reputable insurers at reasonable cost in the reasonable opinion of the County, a standard comprehensive general insurance policy or policies in protection of the Authority, County, and their respective members, officers, agents, employees and assigns. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$100,000 (subject to a deductible clause of not to exceed \$25,000) of damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy or policies in the amount of \$3,000,000 covering all such risks. Such policy or policies shall provide coverage in such liability limits and be subject to such deductibles as the County shall deem adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the County, and may be maintained in whole or in part in the form of self-insurance by the County, subject to the provisions of Section 5.07, or in the form of the participation by the County in a joint powers agency or other program providing pooled insurance. In the case of the County's self-insurance of public liability and workers' compensation, the County may maintain a self-insured retention, and pay up to \$500,000 of each liability claim and up to \$300,000 of each worker's compensation claim, so long as the provisions of Section 5.07(b) hereof have been met. The proceeds of such liability insurance shall be applied by the County toward extinguishment or satisfaction of the liability with respect to which paid.

Section 5.04 Casualty Insurance. The County shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, insurance against loss or damage to any Leased Premises by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance, shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance, and shall include earthquake coverage if such coverage is available at reasonable cost from reputable insurers in the judgment of the County's risk manager. Such insurance shall be in an amount at least equal to the lesser of (a) one hundred percent (100%) of the replacement cost of the Leased Premises; or (b) the aggregate unpaid principal components of the Lease Payments allocable to the Leased Premises. Such insurance may be subject to such deductibles as the County shall deem prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the County, and may be maintained in whole or in part in the form of the participation by the County in a joint powers agency or other program providing pooled insurance, or an actuarially approved self-insurance program with segregated funds. The Net Proceeds of such insurance shall be applied as provided in Section 6.02(a).